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ISTANBUL GELISIM UNIVERSITY
INSTITUTE OF GRADUATE STUDIES

Department of Business Administration

**THE IMPACT OF HORIZONTAL ORGANIZATIONAL
STRUCTURE ON THE DECISION-MAKING PROCESS**

Master Thesis

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Supervisor

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DECLARATION

I hereby declare that in the preparation of this thesis, scientific ethical rules have been followed, the works of other persons have been referenced in accordance with the scientific norms if used, there is no falsification in the used data, any part of the thesis has not been submitted to this university or any other university as another thesis.

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ABSTRACT

The aim of this thesis was to determine if the horizontal organizational structure positively affects the decision-making process (task, subject, and context) in the Missan oil company. This study provides a basis for knowing how the horizontal structure especially in oil companies, can affect the decision-making process and ensure that managers in companies adopt this organizational structure effectively.

This study depended on the quantitative method using the questionnaire to collect data and using the correlation and linear regression analysis as an appropriate analysis to achieve the purpose of this study.

For this study, the convenience random sampling method was used, and the size was estimated according to the information collected from the managers in the Missan Oil Company.

According to the research results, it was determined that there is a positive and significant relationship between the horizontal organizational structure and the decision-making process (task factor, subject factor, and context factor) and all hypotheses presented in the thesis were supported.

The results of this thesis also showed that there is a positive and significant correlation between horizontal organizational structure and decision making process (task factor, subject factor, and context factor). Also, the anova analysis results of this thesis showed that there are no significant differences between the decision making factors (task factor, subject factor, and context factor) according to the demographic variables like age, gender, education ...etc.

The findings of this thesis are expected to be a guide for the managers in the oil companies and other companies to apply the horizontal organizational structure so that organizations can take correct and effective decisions.

Key Words: Horizontal organization, decision-making process, task, subject and context.

ÖZET

Bu çalışmanın amacı, Irak şirketlerindeki yatay yapıyı tanımlamak ve şirketlerdeki yatay yapıyı etkileyen en önemli temel faktörleri belirlemek ve yatay yapının şirketlerdeki karar verme sürecini nasıl etkilediğini belirlemektir.

Bu çalışmada nicel araştırma yöntemleri kullanılmış ve araştırmaya ait veriler anket uygulaması ile toplanmıştır. Çalışmanın amacına ulaşmak için diğer uluslararası çalışmalardaki örnekler de dikkate alınarak uygun analiz olarak korelasyon ve lineer regresyon analizleri kullanılmıştır.

Bu çalışma için tesadüfi örnekleme yöntemi kullanılmıştır ve Missan Petrol Şirketi'ndeki yöneticilerden toplanan bilgilere göre örneklem büyüklüğü tahmin edilmiştir.

Araştırma sonuçlarına göre; yatay organizasyon yapısı ile karar verme süreci (görev faktörü, konu faktörü ve bağlam faktörü) arasında pozitif ve anlamlı bir ilişki olduğu tespit edilmiş ve tezde sunulan tüm hipotezler desteklenmiştir.

Bu tezin sonuçları yatay organizasyon yapısı ile karar verme süreci (görev faktörü, konu faktörü ve bağlam faktörü) arasında pozitif ve anlamlı bir korelasyon olduğunu da göstermiştir. Ayrıca bu tezde yapılan anova analizi sonuçları; yaş, cinsiyet, eğitim vb. demografik değişkenlere göre karar verme faktörleri (görev faktörü, konu faktörü ve bağlam faktörü) arasında anlamlı bir fark olmadığını göstermiştir.

Bu tez bulgularının, petrol şirketlerindeki yöneticilere ve diğer şirketlere örgütlerinin doğru ve etkin kararlar alabilmesi için yatay organizasyon yapısı uygulamalarında yol gösterici olması beklenmektedir.

Anahtar Kelimeler: yatay organizasyon, karar verme süreci, görev, konu ve bağlam.

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PREFACE

To my first example and my guide who lights my path to the one who pushes me forward to achieve what I want who gave me my name to whom I raised my head high in pride my beloved father love and honor to the one whose heart saw me before her eyes to the shadows to which I go all the time to the maple tree to my heaven in this world and the hereafter my beloved mother respect, love and loyalty to the tender hearts that complete my happiness to whom I comfort myself and my eyes recognize their vision brothers and sisters.. love and pride to whom you have shared the best times with my friends in appreciation and pride I would like to express my sincere thanks to my supervisor, Asst. Prof. Dr. Demet ÖZCAN BİÇİCİ for his encouragement, patience, trust and invaluable advice and guidance in this work. to everyone who has love and affection for me in his heart, to everyone who supported me and wished me well to those far from the eye, close to the heart I dedicate my humble effort.

Alhasan Falah JAMEEL

INTRODUCTION

An organizational structure separates a company into discrete components like functions and teams and determines the relationships between them. The organizational structure establishes the responsibilities, the duties and documents the organization's reporting lines. The response time is important in a more competitive industry. Because time is of the importance, how firms respond to customers and other stakeholders, as well as whether they are the first to market, may have a significant influence. Organizations that can develop new technology or respond to market developments more swiftly will outlast their competitors. To enhance response time, organizations have been horizontally tweaking their hierarchies and structures, as well as pursuing other initiatives such as downsizing and networking. A horizontal organization has few or no tiers of management between employees and supervisors. The idea is that when well-trained employees participate more actively in decision-making rather than being closely monitored by many layers of management, they will be more productive (Temple,2019).

Nowadays, the horizontal organization structure is extensively used by most multinational corporations, particularly in Western industrialized countries. In general, western firms benefitted greatly from the horizontal structure trend in terms of lean management and cost optimization. After reengineering, the majority of them were able to retain or even improve their competitiveness. On the contrary, it appears that Iraqi organizations are less interested in innovative techniques of this nature; there are several grounds for this thesis to be understood (Sillince, 2010).

Prior research on horizontal organizations have studied how organizational structures can be structured to maximize efficiency while dealing with capacity limits and how the horizontal structure can affect the decision-making process (Field, 2016). Horizontal structures are preferable for companies working in highly dynamic settings due to the lower degree of formalization and horizontal structures may adjust quickly to the business environments without experiencing system rigidities within the organization. Open communication channels, empowerment, and delegation of authority are encouraged by organic structures, which pave the way for innovation and good organizational performance. Assigning, completing, and distributing tasks produce decision-making in lower hierarchies, where

authority is the power to make decisions about the job assignments that people are consistently working on (Akinyele,2011)

Stone, (2015) suggested that the degree of horizontalness in an organization's structure directly impacts its performance results in their research of the link between organizational structures and integration. The decision-making process is more flexible with horizontal organizational structures since there are fewer tiers of management. Because employees at all levels are not hampered by the need to wait for managers' judgments before acting, they can make business process decisions rapidly.

The human resource department's whole recruiting and deployment tactics have altered as a result of shifting workforce demographics in the horizontal world. Because of the horizontal hierarchy, opportunities for advancement and promotions are restricted, and people get frustrated working at the same level and doing the same job duties. Employees who are unable to engage in strategic decision-making linked to their activities and without the power to regulate their input, throughput, and output, on the other hand, cannot be held accountable for how their duties are executed and, as a result, their attainment of goals.

Hassard, Morris, and McCann (2012) suggest that in order to prevent corruption in organizations, people should be held responsible for both their actions and the outcomes of their activity. In addition to increased duties, employees should have the freedom to select which path of action they feel is ethical. As a result, for an organization's hierarchy, decision-making powers, and responsibility to have a beneficial impact on employee morale conduct, there must be some consistency. The horizontalness of organizational structures also determines some of the key elements that influence how well organizations can achieve their goals. Within a company, these characteristics include centralization, formalization, and integration. The effect of a horizontal organizational structure is to decentralize the concentration of managerial and decision-making authority at the top of a company's hierarchy (Mahmoud et al., 2012). Because each individual is closer to the ultimate decision-makers in a horizontal organization, choices are made more rapidly. There are fewer management levels, and workers have more autonomy to make choices and share in the decision-making (Amir, & Gati, 2006). The study's

significance is demonstrated by its ability to assist decision-makers and human resources managers at Missan Oil Company in Iraq in identifying the dimensions of the relationship between the nature of the organizational structure in companies and the level of participation in decision-making. As a result, the purpose of this research is to determine the key issues in promoting horizontal organization in companies in Iraq, especially at Missan Oil Company in Iraq, as well as how the horizontal organizational structure would influence the decision-making process in Iraq.

The first chapter is the introduction part, and the second chapter is the literature review, in which the key principles of organizational structures, particularly horizontal organizational structures are explained. In the third chapter, the conceptual framework for decision-making is presented. The methodology, analysis, and findings parts of the study are in the fourth chapter and the discussion, conclusion as well as the recommendations for future research in the field of inquiry are presented in the last.

CHAPTER ONE

HORIZONTAL ORGANIZATION STRUCTURE

1.1 Definition of Company Structure

The structure of reporting connections in a system is defined as the company's organizational structure. It can be distinguished between both the formal and informal structures since the company organizational design does not always represent real accounting or decision-making connections in a company (Schoeneborn, 2014). The structure of a company is merely one of many factors of its design. Other factors to consider are the type of a company, the numerous systems in place, and the culture of the company. The management structure of a corporation reflects how the work is divided up. Companies have come up with a number of strategies to do this in the past. The information age will generate more and more different types as time goes on.

Company organizational systems are the strategies that aim to integrate with the production method. Similar to a skeleton, a company's organizational structure determines geographical links and has an influence on power dynamics among its parts. The skeleton doesn't accomplish much on its own; it only acts as a framework within which the body strives to allocate its resources in order to fulfill its function. The mechanisms of an enterprise are similar to the systems of the body that provide motion and function by working over and then through the skeleton. buying, handling of materials, complaints, messaging, production, bookkeeping, and financing systems are examples of these processes in a company (and others). The cooperation between such a skeleton and its various dynamic processes is undoubtedly essential to an organism's survival; the same is valid for businesses. Teamwork will be harmed if the structure doesn't match the company's strategy and the systems that operate inside it (Skrabec, 2001). The structure of a company has a significant impact on its conduct. Several individuals feel that company organizational structure choices are the most important driver of organizational behavior. Notwithstanding what many managers appear to believe, company structure entails much more than simply rearranging its structure (Savery, 2000).

1.2 Organizational Structure: Important Factors to Consider

When considering how to organize a company, whether starting from scratch or trying to adapt a current one, understanding a few design principles and concepts that can help to shed light on the issue. Fit, differentiation and integration, technology, scale, range of command, employment, unity of leadership, and line vs. staff are some of these concepts. When building and altering company organizational structures, fit or "harmony" is a key issue to take into consideration. Structures that do not suit their surroundings or internal structures will be substantially weaker. Companies that are misaligned are like bodies with muscles linked to the skeleton in an ad hoc manner, causing extra stress and counter-effort when none is required. Employees will waste much time attempting to connect the two if a company is designed on ego teams, but the incentive system solely acknowledges individual success. (Yuan, 2009).

Diversity. The terms diversity and integration are frequently used interchangeably. Diversification and integration are critical stages in determining the best organizational structure for a corporation. Work is divided into its constituent parts and allocated to specialists in various departments of the organization, a process known as "division of labor." When a corporation becomes more complex, people become more specialized in their work, and differentiation occurs. Integration refers to the necessity to integrate and mix diverse activities into a single outcome. The more work is split, the more important alignment becomes, yet the more complicated it becomes. (Schoeneborn, 2014).

Because diversity results in a high concentration of relatively particular competencies, executives find it challenging to combine these capabilities into full commodities or services. People in different divisions had varied backgrounds and ambitions, there limited communication between groupings, and units and divisions tended to emphasize their tasks and goals above those of other factions or the entire business (Andersson, Cäker, Tengblad, & Wickelgren, 2019).

The organizational structure of a corporation is typically affected by the applicable technology. Businesses that use batch technology are frequently formed differently from firms that use continual technology. Company organizational structures for highly linked technologies differ from those for independent, separate

bits of invention. The order of tasks, as well as the equipment and staff access required to carry them out, may have a significant impact on the company's structure. Furthermore, in today's information society, the continually evolving nature of computer and Landsat data systems is producing new firm organizational models.

Size. Differential factors are placed on a company based on its size. Monitoring and controlling 25 employees are simpler than controlling 2,500 employees. The structure of a company can be shaped by the size alone or in combination with other factors. While the company organizational structure most adapted to satisfy the expectations of the business may not be determined by its size, it should be considered (Skrabec 2001).

Span of Control. Controllability Span Developing out of size has another crucial regard: wide spans of control. The number of people who report to a manager is referred to as this. While there has been a great deal of research about the "proper" number of colleagues, no definite solutions have indeed been established. Some say four or five direct reports is the maximum a single individual can properly and efficiently manage: at the same time. The large span of management such as this suggests a horizontal structure, as it leads to fewer hierarchical levels. Greater focus on individual employees translates to a smaller range of control and, as a result, a "taller" company with more tiers of hierarchy (Yuan, 2009).

The more unskilled a person has, the more labor and resources will be required to effectively manage them, making it more challenging. Decisions concerning authority limits are influenced by the leader's leadership style and the level of independence he or she wishes to encourage in the company. Leaders that have a weaker "hierarchical orientation" may be more willing to tolerate and support a wider range of control and delegate more responsibilities. Shorter control spans, less decentralization, and a more centralized organization may be preferred by leaders who respect hierarchy more (Andersson, et al,2019).

Staffing. Every company's hierarchical structure necessitates staffing. Wise leaders carefully assess how individuals' particular strengths and positions fit together. The mere availability of a job position on paper does not mean that the person assigned to that duty would be willing or competent to carry out that specification. When the competencies of available people do not match the job demands of

particular sectors of the company's organizational structure, some top executives are more inclined to make structural changes than human adjustments. Both options are available within each set of costs.

Unity of Command. Early constructivists decided that every person in the company should have one supervisor, inspired by the company's organizational patterns formed in the Red Army in the 17th century. This made it clear to every worker whom he or she should turn for guidance. Because of the scale and complexity of today's businesses, employees are often assigned to many bosses. Personal unity of power in companies is a design element that should be examined considering the institution's aims and individuals' capacities (Stone, 2015).

Line vs. staff. Decisions must be made by people in the companies. Traditionally, it was assumed that companies should adhere to the "scalar principle," which states that decision-making power should flow in a single, unbroken chain from the top to the bottom. This is clean and straightforward since it enables one to identify an individual who is accountable for a certain activity and it used to be a basic premise of bureaucrats. Nevertheless, as companies have become more complicated, the line of power has become less clear (Thomas, 1999).

Directors of the Industrial Revolution relied on staff expertise to aid them in making choices. The "line" and "staff" were separated by this decision-making framework. Advanced information technologies are treading a fine line among experienced and new decision-makers, and also between line and staff, to the degree that "knowledge is power." On paper, the so-called "dotted line" relationships rarely come out as the creator planned. Good management architects carefully consider how the company would make choices. Today's front-line "sales force," armed with up-to-date datasets, may have as much influence on client replies as the front-line "sales force." Furthermore, many top executives are finding that they are no longer capable of making all of the judgments that are required in today's fast-paced market (Yuan, 2009).

This presents the issue of "becoming large while acting tiny," as Jack Welch puts it. When local, distinctive personnel can make effective business choices with the help of quick information technologies, a firm may look small and customized while being large and worldwide. These elements interact in several ways to create

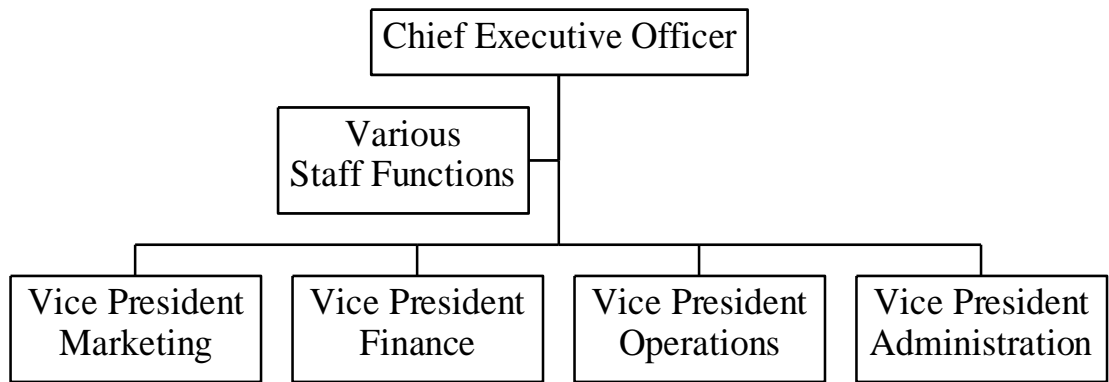
diverse organizational structures inside businesses. Before getting into the many sorts of companies that are now available, it's vital to note that the Information Age is driving a huge upheaval in the way businesses are organized. When a company has both the knowledge provided by correct data and the expertise on how to successfully use that data, decision-making is being moved further down within the company. While some conventional CEOs are critical of this trend, others are enthusiastic about it, (Ramarajan, & Thomas, 2012).

1.3 Varieties in Company Organizational Structures

Company organizational structures reveal a lot about how senior management perceives the structure and key operations of the company. Do they place a high value on geography? Customers? Manufacturing? An analysis of the structure they built—and the changes that took place inside it—provides insight into top management's strategic thinking. There are ten basic types of company organizational structure that can be observed: workable, item, consumer, regional, play-offs, matrix, nebulous, hybrid, as well as some current ideas that are spawning new, starting to emerge forms that the lead author refers to as "inaccuracies" and some existing ideas that are spawning new, emerging forms. "So, because the ability to make important decisions comes from implemented hard information technology rather than from the father's surname as it did in the aristocracy age or the title as it did in the bureaucracy age, the strength ("crazy") truly flows from the information network (Yuan, 2009).

1.3.1. Functional Structure

Description. In the linear function, work is classified into kinds such as marketing, finance, manufacturing, and management. The essential principles are the competencies necessary to execute clusters of jobs; factories are allocated to the production process, marketing may have their own "arm," and marketing may have its own division. The underlying idea of a functional firm organizational structure is that the various functional skills are the primary, strategic corporate capabilities, and so they are emphasized and central. Because the mixing of multiple activities happens only at the top level, functional companies are likely to be merged, thus the name "general management." (Safari, 2018,80-88).



Source: Torsteinsen, (2012).

Figure 1: Functional structures

Advantages: The main advantage of the functional form is the competency of its functional specialists. People who begin their careers in R&D, production, or sales and advance up the ranks gain experience and knowledge in their field of specialty. Management is responsible for integrating activities and ensuring that they are coordinated in their supply of products and services to customers. Hiring and retaining functional specialists is also critical. People both inside and outside the firm can utilize functional forms to choose who to contact for certain needs. They avoid resource duplication and give scale efficiencies in the application of many specializations.

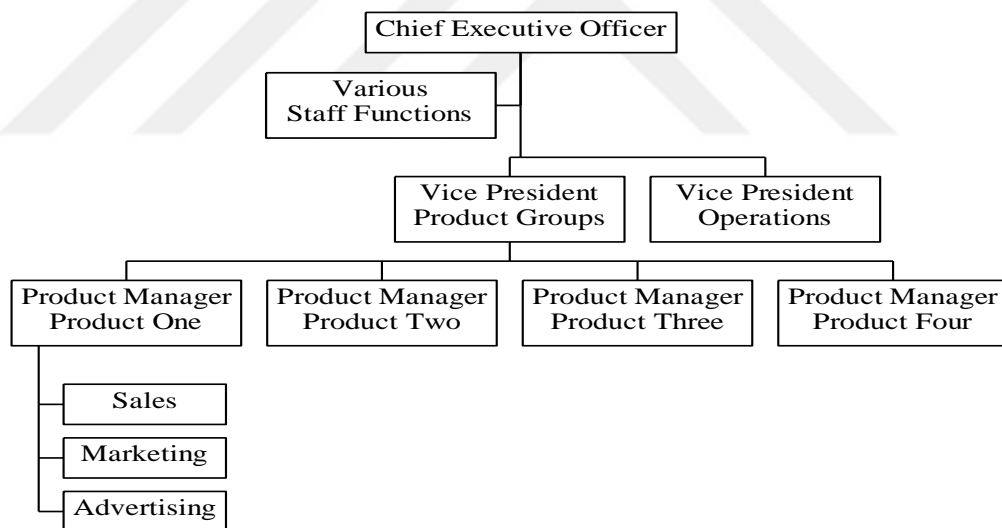
Finally, the organizational structure is simple each department has well-defined tasks, making accountability simple to handle. Many small firms begin as functional enterprises before expanding into one of the other categories. (Grey, & Garsten, 2001).

Disadvantages: The formula, on the other hand, usually fosters empire-building and defensive behavior since practical managers typically find it difficult to relate to or accept the goals of their rivals. Barriers between divisions become increasingly difficult to cross in a functional firm. Customers may hear "I'm sorry, that's not my area," which is referred to as "bureaucratic quackery" by Ken Blanchard, a well-known speaker and author. It's easy to lose sight of customers in a functional organization since employees are more interested with their "jobs" than with their customers. The formula creates barriers to communication and cooperation among units as they develop their lexicon and performance evaluation. Each functional group is prone to the formation of its own subculture. It can be

difficult to find integrating systems and processes that are powerful enough to overcome functional obstacles. Finally, functional structures are not favorable to the growth of managerial skills at an early stage (Stone, 2015).

1.3.2. Product Structure

Description: Consumer goods businesses typically adopt the item form, which groups jobs associated with specific objects under the direction of "product designers." A product manager is in control of many, if not all, parts of a product or set of goods. The product line, in its most basic form, has the effect of separating the firm into numerous smaller, single-product-line enterprises, each with its own set of functional specialities. In many circumstances, however, the product manager is entirely responsible for marketing and sales of the product and must rely on a director of operations for cost control, product quality, and delivery. Product management is driven to organize the efforts of professionals in order to meet the product's goals (Torsteinsen, 2012).



Source: Schöpfel, (2010)

Figure 2: Product Form

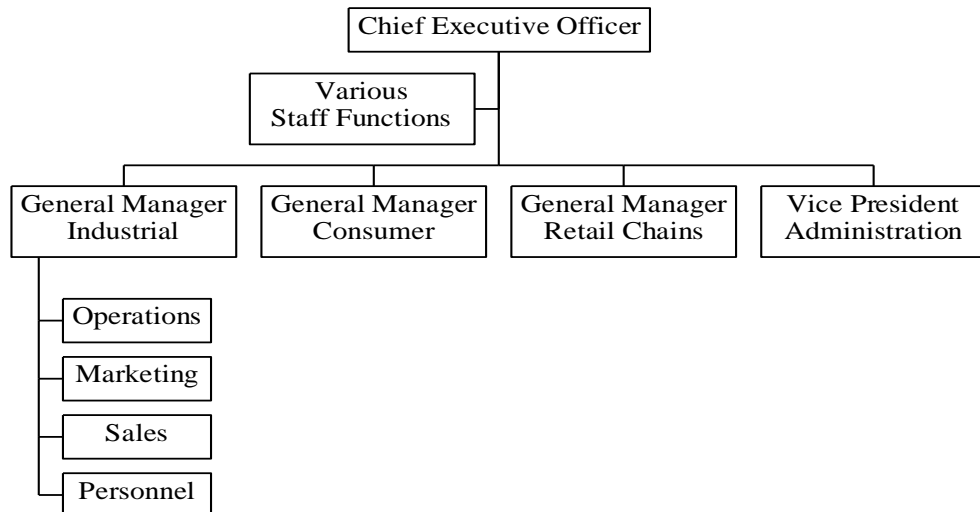
Advantages: The benefits of the product characteristics are that it may make use of the functional feature's strengths while reducing its drawbacks. A single product is given specific attention, specialist personnel and equipment may be targeted for the most factoring items, and the less successful teams are let off. Although this is a more responsive and effective manner of using resources than the linear function, it is frequently too difficult for a small business. Project leaders

learn to observe and operate across divisions just because of an overall result, which is a good training ground for general managers (Schöpfel, 2010).

Disadvantages: The packaging design, like the linear function, has drawbacks. The product form is more expensive since it costs more to initiate and sustain the replication of functional experts' resources in each product segment. If there is adequate sales volume for every product line, duplication of personnel will not be an issue, but corporate expenses as a whole remain a goal for reduction. However, there is a risk that these small, commodity functional units would pay insufficient attention to skill development and improved utilization. Furthermore, tight profit controls at the corporate level may lead to tight product-line restrictions, which can hinder risk-taking, flexibility, and creativity. Because each product manager is compensated and pushed to focus on his or her line and not on the lines of others, obstacles to cooperation and consultation continue to rise within the actual product (Thomas, 1999).

1.3.3. Customer Structure

Description: Customers' divisional structure is utilized when leadership wants to ensure that the focus is on the client's factors rather than on production skill (functional) or selling brands (product). The client form has now become increasingly frequent in our call center services culture; it could be felt it is overused even in the industrial sector, where management has traditionally concentrated on internal problems rather than customers' concerns. Within business units that provide various terms to different types of clients, customer divisional structure or division is also popular. The client structure indicates that management is aware of its client segments' wants and has recognized segments with significant sales possibilities (Tranfield, 2003).



Source: Tourish, (2004).

Figure 3: Customer Form

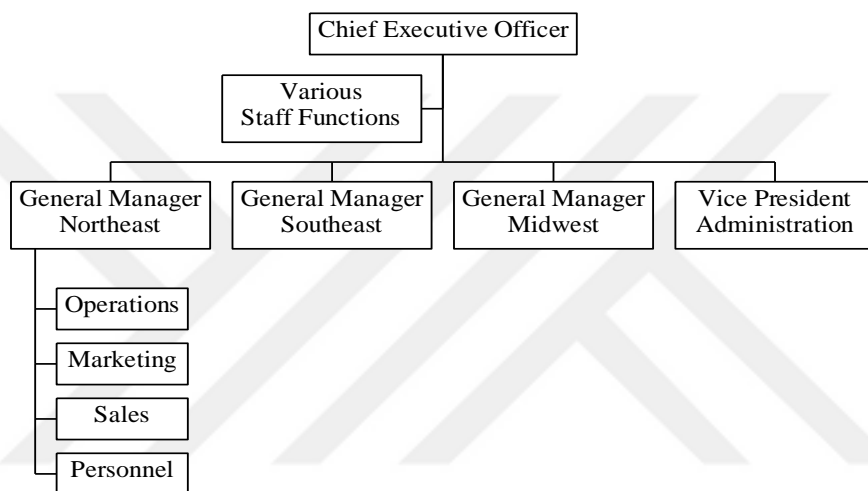
Advantages. The client form serves as a good reminder to the leadership of where revenue originates from. Companies that distinguish themselves based on the sort of consumer they serve are much more sophisticated in terms of recognizing and addressing their customers' requirements.

Disadvantages. The customer form, on the other hand, puts pressure on companies to meet the wants of various consumers, which leads to additional problems in production or service planning, as well as shorter, more costly mass manufacturing. (Huang, Kristal, & Schroeder, 2009).

1.3.4. Geographic Structure

Description. The geographic structure is a mix of the customer form and the geographic structure; however geography does not always coincide with many market client categories and should thus be evaluated individually. The geography-based framework categorizes current activities depending on their location. Typically, the nature of the service or product, as well as the difficulties of delivering items or services over long distances, are to blame. For example, despite several attempts to renationalize the real estate market, it has remained mostly a localized and even renationalized business until the present increased usage of the Internet has enabled it to localize and even renationalize its reach. (Huang, et al, 2009).

Another enterprise with significant regional dynamics is the meat packing facility. Many companies organize their sales personnel into regions. Furthermore, many "regional divisions" are countries with their own cultural, political, economic, and administrative features in a global economy. When selecting a geographic form, distance may not be the only aspect to consider. Changes in the legislative framework, cultural standards, and topography may all influence the decision to organize by geography. Multinational firms with operations in many countries, for example, are mindful of the tradeoffs between central power and the complexities of different environments (Zhu & Jiao, 2013).



Source: Natasha (2004)

Figure 4: Geographic Form

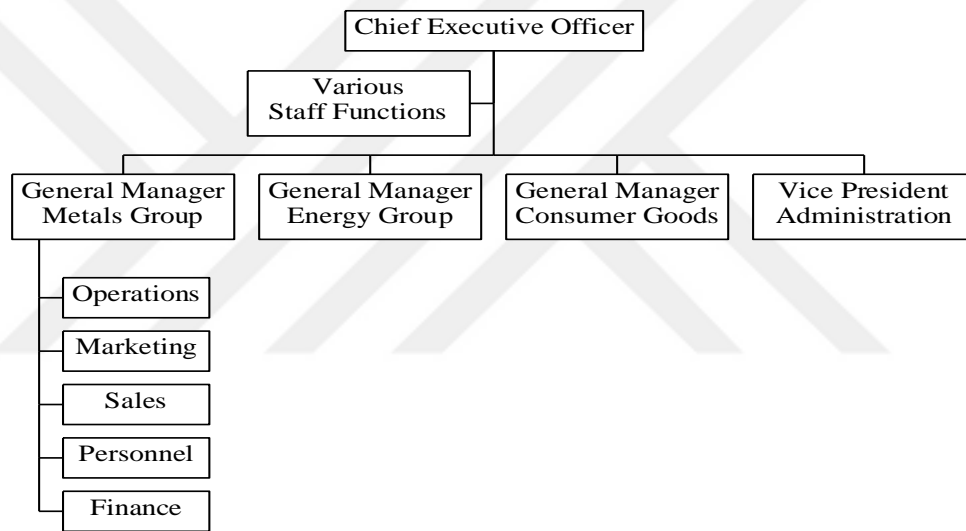
Advantages. Geographic departmentalization allows the corporation to focus on the elements of a limited geographic region while lowering the costs of product and service delivery. Because mini-companies with fully functioning activities are commonly organized regionally, this structure also acts as a management training ground. It also enables managers to keep a more personal interaction with their customers than a regional or multinational functional organization would (Holacracy. 2018)

Disadvantages. Geographic boundaries in a corporation may obscure management's perspective of the customer groups in their market. These can also stymie cross-unit communication and collaboration. They make forecasting

investment returns, setting financial and other goals, and even reporting economic activity outcomes more complex (Tourish, 2004).

1.3.5. Divisional Structure

Description. The divisional structure is the most common in today's modern large American organizations. The divisional structure may be viewed as an extension of the product form, with top management having significantly greater responsibility and authority. In this arrangement, a person is given management of a "business," which may be defined by product category or clusters of things. They may also be able to structure their divisions anyway they see appropriate, which may be acceptable given that different enterprises operate under varied conditions.



Source: Savery, (2000).

Figure 5: Divisional Form

Advantages. The M-form, according to Ouchi, creates a compromise between contributing to the company autonomy and dependency. According to him, the corporation should not contain units that are wholly reliant on one another, just like in the functional form, but that are completely independent, as in the actual product. Types of companies can optimize earnings while still sharing in the distribution of common expenditures from product lines by achieving a balance between two extremes (Holacracy. 2018).

Through shared resources, Ouchi felt that all units should be interconnected. Hewlett Packard, for instance, follows the M Form to a tee. H-P was separated into

approximately fifty largely autonomous regions in the late twentieth century: Oscilloscopes were made by one, medical devices by another, computers by a third, etc. Every division catered to a separate group of clients and used various manufacturing techniques.

However, they all had a foundation in electrical engineering and employed some of the same production technologies, and the majority relied on a continuous stream of innovation from central labs to support their research. The divisional form's technical structure includes the conflict between dependency and autonomy in company s and offers a way of achieving a compromise between division independence and corporate central management (Sillince, 2010).

Disadvantages. The divisional form is difficult to maintain and requires both expertise and judgment. It can result in humiliating layoffs and a collapse in customer service. Three independent divisions of Hewlett-Packard, for example, manufactured computer computers that were compatible with one another at one time in the early 1980s. H-power P's to affect the market was fractured as a result, and the purchasing public was faced with a confusing assortment of items. The M-form necessitates an extremely cautious and deliberate integration policy and controls. To put it another way, independence is far more achievable than reliance (Savery, 2000).

1.3.6. Matrix Structure

Description. The matrix concept challenged some of the early leadership authors' business ideals. The span of control widened, unity of command faded, and hierarchies became hazy to the point of obliteration, but the form endured because it addressed a specific set of requirements first encountered in the aviation industry: extremely expensive initiatives, limited player pools, and massively complex projects requiring different skill sets. There are two or more tiers of authority in a matrix organization. One option is a departmental structure, with supervisors in engineering, manufacturing, marketing, and purchasing, for example. The other is a group of construction projects in responsibility of a program's budget (Huang, et al 2009).

As a consequence, line managers are given labor and skills, while project leaders are given money; none can function without the other. The functional worker in a matrix system frequently has two bosses: the project leader and the practical shift supervisor. Because he sees his or her work across many projects, one pays his or her salary and the other significantly contributes to his or her performance rating. Matrix organizations require particular management and human skills to perform efficiently. To manage and function in a matrix, high degrees of trust, engagement, negotiation, cooperation, the capacity to shift emphasis and priority, and a high level of detail are required. For example, several corporations spent a large amount of time and effort training their employees on how to work in and operate a matrix organization, which management believed was necessary to compete effectively in the aerospace industry (Ramarajan, & Thomas, 2012).

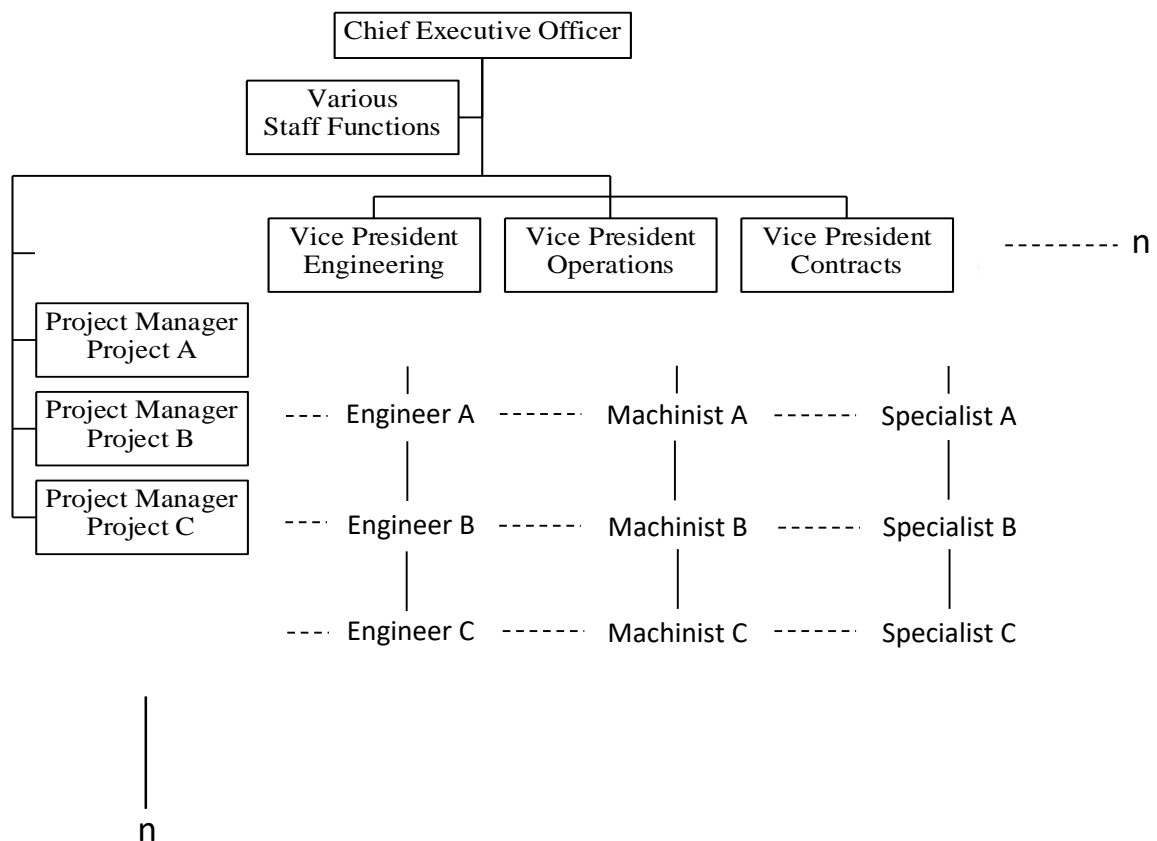


Figure 6: The matrix structure

Advantages. The matrix structure is ideal for challenging tasks such as developing large weapon systems, moving a facility, or buying a business. Matrixes, or combinations of them, are common in projects with limited finances, high and

transitory resource factors, and high levels of complexity and unpredictability. This "loose" structure, as compared to the functional form, aids in issue solving in situations like these (Grey, & Garsten,2001).

Disadvantages. The fact that the two administrative levels must be maintained is one of the matrix structure's downsides. Furthermore, the "matrixed" employee generally has two or maybe more "bosses" to whom he or she must decide whether to listen. This frequently leads to systemic uncertainty and ambiguity, which may be crippling. Training and sustaining this highly social talent type is costly, if not prohibitive. Many conventional managers are unable to perform in a matrix company because they are unwilling to let go of concepts such as "one person, one boss" or the string concept (Thite, 2001).

1.3.7. Amorphous Structure

Description. The amorphous structure continues to evolve on its own. Independent managers create the institutions they need to meet their own goals in the lack of standards or established company organizational charts. Amorphous systems reveal either a high level of top leadership trust in their intermediate executives or a lack of interest in the company's structure. Amorphous companies, often known as "organic" companies because of their exponential growth, provide the company's organizational management with a "high-risk, high-return" option (Skrabec 2001).

People who work in amorphous groups can be very driven and creative. If they do not, the individuals who work in them are likely to become irritated and unproductive. In its early years, when it expanded amorphously to become the second largest computer manufacturer, Digital Production Corporation (DEC) was possibly the best modern time example of an amorphous corporation. (Huang, et al 2009).

In the company, company charts were almost non-existent. Personal interests and judgments spawned different departments over time. Management did not relinquish control; rather, they put a great amount of faith in subordinates' ability to mold and establish the work's form. Denmark has a more recent example

Athanassoulis, & Wilson, (2009), a hearing-aid manufacturer, rebuilt his firm into a "spaghetti company," as he put it. He tossed out all position descriptions, dismissed all clerks, and tore down the barriers in the head office complex, worried about the barriers among company organizational areas. Laptops and other furniture were advised that if they needed to collaborate on a project with another person, they could just roll their carts together, so they were side-by-side. Earnings and innovation surged, while expenses fell as a result of the dramatic restructuring, (Schöpfel, 2010).

During the Information of Age growth of entrepreneurial, high-tech enterprises, many of which are dependent on Internet links, "organic" or "amorphous" shapes appear to be increasing in favor. The advent of so-called "virtual companies," in those eldest hierarchical responsibilities are outsourced, further complicates the existing landscape of structural options. Where is the structure if a corporation contracts with an independent producer to build a contract-designed product and markets and retails the product through a separate sales team? New network company ideas are gaining traction and impacting design decisions (Zhu & Jiao, 2013).

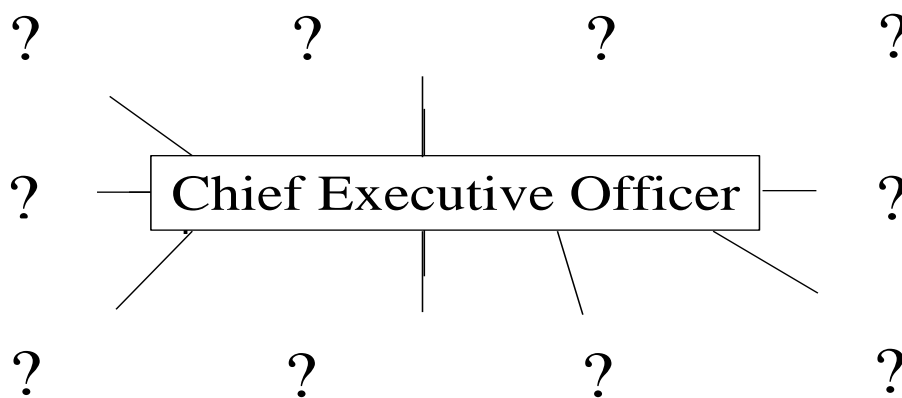


Figure 7: Amorphous Structure

Advantages. For accomplishment, inwardly driven individuals, and unstructured groups can provide a highly stimulating atmosphere. They can adjust rather swiftly to ecological or changes in technology if they have the correct sort of skills. Furthermore, they are frequently utilized by businessmen who are intent on

quick expansion and think that further structure is suffocating or who do not have enough time to focus on company difficulties (Safari, 2018).

Disadvantages. Amorphous institutions can become of aimless activity that only generates friction. If an institution is to survive, its recruitment strategy must be changed to focus only on candidates who can help the business achieve its goals. This unrestrained growth might be expensive and perhaps fatal (Natasha, 2004).

1.3.8. Hybrid Structures

Description. Several mixtures of the various types of firm organizational structures might be easily discovered in the community. Several firms attempt to obtain the best of both worlds by combining the characteristics of two or more categories. The danger is that you will wind up with all of the disadvantages. Working groups and collaboration are frequent examples of hybrids that extend on one of the two kinds by introducing new approaches to foster integration.

Two common hybrid forms are the functional/product type, in which product managers do not have complete control over the company's operational or financial elements, and the geographic/customer type, in which managers typically have a group of customers split into their sales teams. (Andersson, et al,2019).

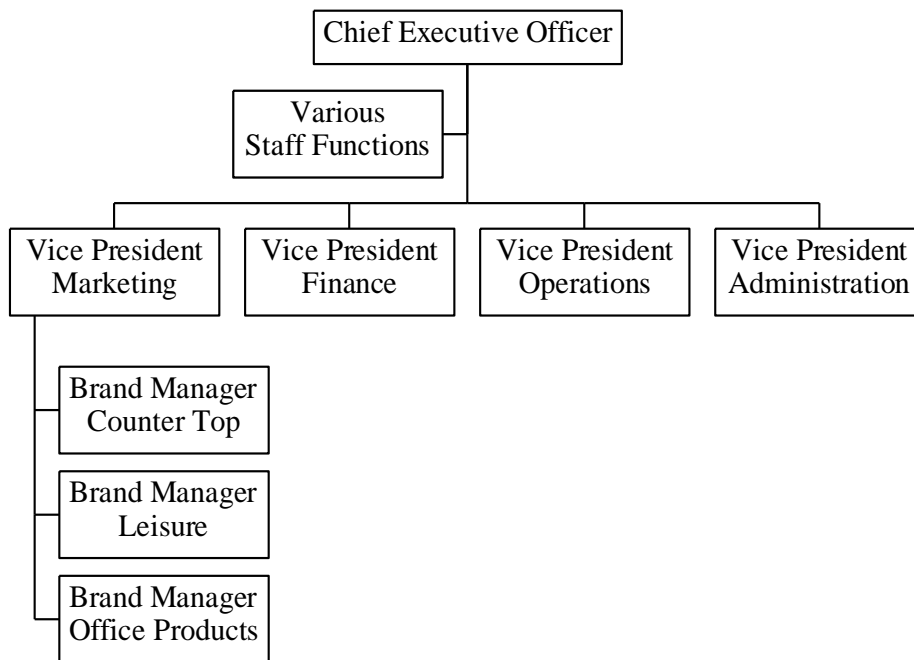


Figure 8: Hybrid Structures

Advantages. Hybrids allow a company management to adapt to changing environmental conditions, present workforce features, as well as other design restrictions such as in-place technologies and historic impetus. Although the possibilities are nearly endless, most businesses focus on one or all of the seven categories in the figure above (Power, 2002).

Disadvantages. Hybrids are perplexing. Employers and supervisors, and humans in particular, desire to decrease ambiguity, and the more complicated a company is, the more equivocal each manager's perspective. Employees involved in hybrids might grow irritated and disillusioned as a result of the uncertainty regarding who's doing what and talking to whom about what (Herr, & Cramer, 1996)

1.4 Horizontal Company

Horizontal companies have a small number of layers of administration if any at all. This signifies that the "Chain of Command" is short from top to bottom and the "span of control" is broad. The number of employees under each supervisor's authority is referred to as the Span of Control. The breadth of control of a supervisor

with a limited number of actual reports is limited. Horizontal companies are frequently tiny and feature the following features due to the limited number of managerial levels (Wulf, 2012):

- Horizontal career path that crosses functions
- Broadly defined roles
- Decentralized management approach
- Few layers of management
- Desirable work descriptions
- Flexible job and unit limits
- Emphasis on teamwork
- Strong customer focus

1.4.1. Significance of Horizontal Organizational Structure

Formal corporate structures are typical in large organizations, but because to the numerous management levels among top-level and baseline personnel, decision-making must go via these processes, leaving front-line staff to respond to customer delays and diminishing productivity. Because a horizontal firm organizational structure has fewer corporate executives, the entire company may function more effectively and with less pushback. This improves the company's productivity while also cutting its budget by eliminating intermediaries charges and removing communication barriers (Bleijenbergh, 2013).

Companies that assess middle manager functions might delegate important activities to other participants by providing lower-level employees additional responsibilities or delegating some responsibilities to higher management. Aside from this, several tasks are a burden on the business that may be reduced by removing middle management (Strinfellow, 2010).

1.4.2. Major Advantageous Features of Horizontal Companies

The company organizational structure of a firm has an impact on how employees make choices and how fast the company responds to problems and opportunities. Smaller businesses frequently have a horizontal hierarchy, with a limited number of leaders at different levels from top to bottom. Greater company s with larger workforces confronts extra hurdles that small ones do not. Small businesses must decide whether to maintain a horizontal company organizational structure or layers as their workforce grows (Spreitzer, 1996).

Vertical and horizontal divisions are removed in a horizontal company organizational structure to horizontal ten the structure and substitute functional areas with cross-functional teams and monitor and document procedures. Boundary-less companies, if fully functioning, eliminate the obstacle of geographical distances from various parties. As a result, such businesses are identified by (Tranfield, 2003).

Employee Incentives in any company organizational structure, employee motivation is critical. Workers in a horizontal structure may feel like they have more direct control over the firm, and feel that there is little possibility for progression. Workers in a tall company, on either hand, have numerous layers by which to develop their careers, but they may get dissatisfied by their loss of impact at lower tiers within the firm (Thite, 2001).

- **Complexity in Company**

In general, the more sophisticated a company's operations are, the more expensive it must be. In a small firm, one person may be capable of handling all marketing duties. However, when the firm grows, that individual may need subordinates to whom he may delegate some duties. Furthermore, when senior managers report to a small group of leaders rather than dozens or hundreds of lower-level employees, they may be significantly more productive (Grey, & Garsten,1988).

Flexibility in the workplace

Companies with fewer layers among employees and managers may more readily start implementing management plans, achieve short-term objectives, and

execute policy and procedure modifications. Managers may evaluate progress toward aims and priorities and obtain more immediate input on the viability of a given action plan by acting on especially when applied to front-line personnel. The amount of flexibility that a horizontal company organizational structure provides more than a tall one is one of its advantages. Horizontal structures allow for faster decision-making and execution since there are fewer layers of interaction among personnel performing the job as well as those making the choices. As a result, directions and criticism may be delivered more promptly, allowing for required adjustments (Tourish, 2004).

- **Power vs. Impact**

One of the most significant differences between the two ways of operating a company is how to influence choices in the proper directions with everyone's engagement, modifying course for the good based on the opinions of all stakeholders. Instead of juggernauts and corner offices, most horizontal companies have positions and people who are influences (Spreitzer, 1996).

- **Before making any judgments,**

There should be some discussion. Decisions are rarely made in a secluded corner office. Before making judgments, there are numerous talks taking place all over the place on various themes.

- **Approachability triumphs over inaccessibility.**

In horizontal companies, leaders are frequently highly accessible. If physical attendance is not possible all the time, leaders can be reached through email, conversations, town halls, and other means.

- **Autocracy vs. Collective Ownership**

Making no judgments is not an option, but most decisions are made in groups where everyone gets a chance to contribute their views and perspectives. Collective ownership is not synonymous with democracy (Hassard, et al,2012) Rather than being held accountable to an individual or a role, a team should be held accountable. Even if the reporting structure is hazy at best, ownership-driven teams are held accountable to the entire team rather than an individual or a specific job.

- **Improved Communication**

Employees and managers can interact more readily in smaller company with horizontal company organizational structures. Larger firms encounter difficulty in providing regular and correct info due to their sheer size. Horizontal organizational models in businesses eliminate barriers between top-level executives and front-line personnel. Instead of originating from the top, information is spread across the organization. Another characteristic of this management style is that informal interaction and open criticism between peers is more prevalent than between supervisors and employees. Growing companies that maintain or adopt a horizontal structure can better sustain official and informal relationships and receive faster responses.

- **Response of the Company**

Large firms with several managerial levels may not delegate strategic choices or even ones that immediately affect customer service to lesser managers. Lesser managers have more freedom to make strategic choices, execute action plans, and convey these adjustments to front-line staff because of horizontal management structures. This empowerment can shorten the time it takes to respond to new business possibilities or risks (Hassard, et al,2012).

- **Company al Goals That Everyone Shares**

Large firms may be able to successfully convey company objectives, but the shared benefit of achieving that goal may not be recognized owing to a lack of interaction between superiors and subordinates level personnel. Lower-level leaders are included in the object-setting process, and they are empowered to assist the firm in achieving those objectives. This collaborative technique can help to build a sense of community and align company goals (Spreitzer, 1996).

- **Adaptability**

Because of their lower hierarchies and absence of bureaucracy, employees and work teams in horizontal companies are more adaptive to changing or unusual conditions.

When front-line employees are given the authority to resolve customer complaints without seeking approval from upper management, for example, issues can be resolved more quickly, resulting in higher customer satisfaction. In horizontal organizations, work groups assigned to specific projects, for example, can generally construct their independent overall operations without seeking approval from senior management (Grey, & Garsten,2001).

- **Collaboration**

Companies that use horizontal company structure systems encourage open collaboration and contact. Because more employees are on a level playing field, more responsibility is placed on each individual, resulting in a situation in which imaginative, collaborative self-starters flourish while passive followers fall behind. Companies with a horizontal structure can also attract the type of employees that thrive in a work environment that promotes self-motivation and teamwork (Thite, 2001).

- **Creativity and Innovation**

In a horizontal company organizational structure, ideas originate from a wide variety of sources than in firms with several layers of administration. By giving everybody in a company an equal voice in offering fresh ideas and feedback on operational methods, commodities, services, marketing strategies, and corporate regulations, companies find ideas that lead to competitive success (Whymark, 1999).

- **Communication**

Communication is typically faster and more successful under a horizontal organization since the chain of command is reduced to one layer or less. When employees have direct engagement and influence over corporate activities, they are less inclined to fight and struggle in private; instead, they may communicate their points of view in public. Workers, on the other hand, may have several supervisors, and their responsibilities may be confused with those of other employees (Sillince, 2010).

- **Making decisions and having authority**

There is less corrupt oligarchy and greater decision-making flexibility with fewer government layers. However, this implies that more subordinates are reporting to a single supervisor, creating confusion about the chain of command. Customers are happy when employees can make decisions quickly rather than waiting for a boss. When executives report to a single (or a few) chief executive, it is difficult for them to be team leaders and keep their staff organized and efficient. Finally, the majority of subordinates feel that peers are pulling strings in the background and command a larger part of the CEO's attention than they do (Sharma, 2013,56).

- **Growth**

Particularly successful in small businesses or for tiny areas of bigger businesses. Giving employees the authority to make snap decisions improves customer interaction and increases flexibility in smaller companies. In huge businesses, the same attributes become detrimental since the locations are too dissimilar and have problems integrating. "There were occasions where clients were offered a price on an item in one shop, but not at the same store in a different location," the "Business Plan," says. This isn't conducive to excellent customer relations." (Tranfield, 2003).

- **Morale**

To keep morale up, horizontal companies rely on well-trained employees who have a role in decisions. Workers who feel they have power and are responsible for the company's success work harder because they have a personal stake in its success (Hassard, et al,2012).

1.4.3. Conversion Of Vertical Company organizational structure Into Horizontal Company organizational structure

Business managers face several problems when converting a vertical corporate structure to a horizontal one, which may be solved with adequate planning and coaching. The measures below can be performed to effectively create a horizontal corporate structure (Zhang, 2014).

- **Preparing Employees**

Obtaining buy-in from staff at all levels of the business is critical to the success of a transition as large as a structural shift. Before starting the strategic planning, solicit feedback from workers through official feedback mechanisms and casual talks. Take workers' suggestions seriously and urge creative thinkers to attend planning sessions. Clarify to all staff why the shape change is necessary. Explain the necessity in language that each employee can understand, and how the change would benefit the company as a whole. Also, explain how the adjustment will benefit each person and help them advance in their careers. All workers should receive constant updates on the strategic planning via email, business publications, company meetings, and casual chats. When submitting updates, be open to receiving feedback (Power, 2002).

Implementation and Planning

Focus on making a detailed, formal plan of action to achieve the shift from your old to the corporate framework. Make a plan for moving or reorganizing physical workplaces and work groups. Make preparations to transfer management knowledge and responsibilities among personnel, as well as to guarantee that all key departments are covered (Wulf, 2012).

The data is saved and restructured following the new structure. Instead of dumping the full package into the works at once, implement the changeover step by step. Consider the situation where you wish to go from a hierarchical firm structure to one where front-line employees may make managerial decisions. Starting with one area at a time, putting workers through pieces of training to provide them with the information and training they'll need in their new tasks, and then formally moving managers and supervisors to other roles inside the organization, is a smart concept. (Hassard, et al,2012).

1.4.4. Horizontal Company organizational structures Building Difficulties

Horizontal company organizational structures are those that have a small number of levels of management in their hierarchy. The phrase "horizontal " refers to how a company organizational structure chart appears when there are fewer

supervisors, with fewer and broader rows defining the job hierarchy. Horizontal company organizational structures provide a lot of advantages for businesses, but they also have several problems to solve (Sillince, 2010).

- **Leadership that inspires people**

A horizontal company organizational structure has the benefit of giving individual workers greater responsibility for motivating and maximizing their performance. Nonetheless, since workers have fewer supervisors to encourage them and provide them personalized attention, this poses a dilemma. Some employees require supervisors for direction, teaching, and inspiration, as not every specific personality flourish in a self-starting setting (Sharma, 2013).

- **Consistency**

Some other benefit of horizontal structures is the ability of front-line staff to solve operations and maintenance and customers' problems on their own. This strength, once again, brings with it a new range of difficulties. Companies that place a lower priority on supervision may lack suitable policies, resulting in a scenario in which many workers react differently to different matters. The same consumer complaint may be handled differently on different days, for example, delivering contradictory statements to the market. Alternatively, some employees may find a way to sell substandard items while others discard broken items, resulting in product quality differences and increased corporate costs (Ramarajan, & Thomas, 2012).

- **Decision-Making**

Taller company organizational structures concentrate decision-making authority at the firm's highest levels, improving decision-making consistency and reliability. If a corporation depends on voting or developing an agreement between its workers, strategic decision-making in a horizontal companies could become cumbersome and inefficient. Businesses with horizontal companies' organizational structures may find it difficult to respond quickly and decisively to a choice with far implications (Whymark, 1999).

- **Advancement**

In horizontal company organizational structures, helping employees face additional problems. There are fewer supervisors to keep track of personal worker performance when there is a larger ratio of front-line workers to managers (Wulf, 2012).

This makes it easier for elevated to slip through the gaps in performance appraisals, potentially leading to their departure from the firm in search of a career with more recognition. Furthermore, there are multiple management roles in which to advance front-line personnel, limiting the prospects for each individual to progress (Sillince, 2010).

1.4.5. Horizontal company organizational structure And Cost

Most businesses are dealing with the present economic crisis and growing competition, which necessitates cost-cutting activities. The wise ones will make adjustments in a way that is consistent with their corporate success. When it comes to cost-cutting, however, many companies overlook the vital requirement to ensure employee commitment. Companies implementing cost-cutting measures must get their workers' positive emotional support and commitment choices and commit to cost-cutting behavioral changes. An engaged staff can lower expenses more effectively and sustainably than a team under duress (Sharma, 2013).

When a horizontal company is correctly implemented, it has the potential to cut employer costs, reduce employee turnover, and increase profit margins. Because manager compensation is frequently greater than that of other employees, fewer top-level managers equals fewer administrators to pay, which saves you money. The less money you have to spend on education, and the more skilled and productive your employees become, the longer they will remain with the company. Furthermore, horizontal organizations generally forego compensation increases and promotions based on years of service, instead focusing on developing top performers. Performance-based awards are more cost-effective since the increased salary costs is directly related to improved productivity (Stone, 2015).

CHAPTER TWO

DECISION-MAKING PROCESS

2.1. The Scope of Decision-Making Process

Both science and individuals benefit from understanding the factors that influence decision-making. For research, it gives data that allows us to better understand, explain, and assess one of the most complicated cognitive abilities, and for people, it enables them to make more efficient and suitable decisions in their everyday and professional life. Follow three choices that one may make throughout the duration of one's life: (1) What should I do with my life? (2) Is this individual guilty or not guilty? (3) How should I put my money to work? In each scenario (Bandura, 1997).

Normative models were first the focus of the decision-making study. Such models suggested how people need to make judgments and project whether or not those decisions would be successful in real life based on whether or not people behaved the same way in the lab. This way of thinking is restricted, and it cannot explain how individuals make judgments in real-world situations. Recently, descriptive naturalistic models have been created that emphasize both the characteristics of the environment in which choices are formed as well as the importance of experience and personal skill in decision making. 'Naturalistic decision-making (NDM) is indeed the way people utilize their experience and make decisions in field contexts. Amir and Gati, (2006) outlined four characteristics of making decisions in naturalism climates: ill-structured troubles, dynamic and unpredictable environments, shifting, and management involves determining, multiple event-feedback loops, time limitations, high stakes, multiple players, and, finally, organizational factors and objectives that must be balanced against by the decision maker's personal choice (Amir, & Gati, 2006).

Some, if not all, of these characteristics, may be present in a choice from a naturalistic standpoint. These and other traits can be classed as factors related to task factors, subject factors, and context factors, according to Byrnes (2006),

Cannon-Bowers et al. (1996), and Cannon-Bowers and Salas (2002). Task factors are related to the nature of the choice, such as the degree of ambiguity in each option, the constraint of time and money, the quantity and quality of information, suggested goals, and the decision's potential repercussions. Internal elements such as motivation, full self-regulation of the choice phases, important information processing, knowledge of a certain topic, and the emotions that nearly always precede a decision are examples of subject or choice maker characteristics. Finally, environmental elements describe the context in which the choice is made; especially, those that are not immediately related to the decision task: school and professional influences, as well as distracting occurrences (Chen, & Sun, 2003).

This differentiation of the three sources of characteristics that characterize naturalistic decisions, according to these writers, is important for studying and measuring naturalistic decision-making. Adults, and to a lesser extent, youths and elderly, have been the subjects of most naturalistic studies. It should be noted, however, that all three age groups play an equal role in this process. There is some disagreement concerning whether or not they differ. Dror, Katona, and Mungur (1998), Finucane, Kaiser, Slovic, and Schmidt (2005), and Gardner, Scherer, and Tester (2005) are among the writers who feel there are distinctions. External social factors, health indices, and other factors can account for a considerable portion of age-related variation in choice tasks, according to Finucane et al. (2005,98).

Different aims, according to Mather, Knight, and McCaffrey (2005), influence the comparison procedures of younger and older individuals. Chen and Sun (2003) and Moshman (2003) are two writers that claim that there are no variations between any of these age groups. These writers base their argument on the fact that older persons frequently employ methods in the hopes of compensating for their working memory deficits. Despite this debate, age plays an essential role in naturalistic research since this technique is primarily reliant on an individual's competence, which is generally developed with age. In a society where men and women are striving for social equality, it is required to collect additional information on the prevalence of sex in the many elements that influence decision-making. Scientific literature, like age, presents opposing viewpoints on this topic. Although the majority of the differences are minor, some substantial sex differences have been discovered. Women may be more impacted by their surroundings and

spend more time considering their options because they are more cautious, seek more information, and pay more attention to the process (Finucane, Kaiser, Slovic, & Schmidt, 2005).

Given that each research examines a distinct type of choice, the wide range of outcomes in studies that link decision-making to age and sex is unsurprising. This, however, makes it harder to extrapolate the findings of these investigations. Other writers believe that decision-making is at a critical juncture, notwithstanding significant measuring flaws. As a result, and given that individuals typically have limited information about just the variables that influence their decisions, To collect data on the major factors that impact decision-making, a questionnaire has to be developed and validated. Nevertheless, because real-life decisions might range from health to finances to diet, creating a questionnaire that could be utilized in a variety of scenarios would be more practical. As previously stated, Cannon et al. (2002) think that decision-making may be defined by at least three primary sources of variables: those associated with the judgment or job, those associated with the decision-makers, and those associated with the environment in which the choice was made (Cannon-Bowers, & Salas, 2002).

2.2. Strategic Decision-Making Process

The process through which senior management makes its most important choices is known as strategic decision-making. In terms of the actions performed, the resources invested, or the precedents created, strategic decisions are critical. Further, strategic decisions are defined by Kish-Gephart, Harrison, and Treviño, (2010) as an integrated and separate account perspective of how the company will fulfill its future missions. Strategic choices, according to Rassin, and Muris, (2005), are an ongoing process of establishing a competitively superior fit between a company and its dynamic landscape. To achieve future objectives and to be able to complete these future missions, according to Stacey (2007), decision-making is the process by which management identifies and chooses among different courses of action in a manner appropriate to a factor s of the situation. Alternative possible options appear in the processes and must be identified, did weigh, weeded out, and executed (Rassin, & Muris, 2005).

According to King, (2012), the sound decision is one of, but not the most crucial, of all corporate operations. The authors (King, 2012) go on to say that strategic decisions are not merely a series of options or decisions in and of themselves, but also a significant communicative instrument. Hatala and Case (2000) described decision-making as the act of expressing the intended route for an organization that others, including investors, may use to better understand the firm and make strategic decisions about where to put their money. Decision-making is one of the most common and significant professional activities for executives, according to management theorists and academicians. According to Finkelstein, Hambrick, and Cannella (2009), CEOs make decisions on a variety of topics on a daily basis, ranging from the mundane to the monumental. Understanding how these decisions are made and impacted is crucial to the creation and future orientation of the organization (Greenberg & Baron, 2002,145).

Strategic decisions are the responsibility of senior management, according to Rahman and Feis (2009). They show how an organization deals with its environment by reflecting the interaction between the two. Strategic decisions might be formal or informal, planned or unexpected. They are embedded in both the internal (psychological, structural, cultural, and political factors) and exterior (competitive pressures) environments of the organization. According to Byrne (2006), strategic decisions are taken to address challenges crucial to the organization's long-term viability and survival.

It usually consumes a significant amount of the company's resources, and it usually deals with challenges that are unique to the business, rather than ones that lend themselves to regular decision-making and may be addressed at a lower level.

These decisions, according to Dalton, and Ortegren (2011), are difficult to define or assess in terms of performance; they are associated with various trade-offs and risks; they are interconnected with other decisions of the company and set a precedent for subsequent ones; those who carry uncertainty; they rarely have one optimal answer, and they are hard to reverse once created. It might simply be stated that the strategic choice is unusual in the sense that it is both difficult and large in scope, yet extremely vital. The complexity of strategic decisions, according to

Cummings, and Worley (2014), may be understood as involving many distinct phases or occurrences before an actual decision is made.

Despite the difficulties of defining a strategic choice, it is evident that managers must make strategic decisions under a variety of conditions, factors, and restrictions (Flannery, Williams, & Vazsonyi, 1999).

Strategic decisions frequently necessitate significant adjustments, which distinguishes them from typical day-to-day decisions. It should be emphasized that a move that is significant in one industry may be less strategic or even non-strategic in another (Eisenhardt, 1999). Strategic decisions for managers have a broader reach than any other area of decision-making objectives because they deal with the complexity that arises from unusual and non-routine events (Agarwal, Rajshree, & Sarkar, 2004)

2.3. Cultural Influence

Managers with various national diverse cultures have distinct approaches to decision-making than managers from comparable cultural backgrounds. Managers are an instance of this since they are patient in making judgments yet lack a feeling of urgency. In comparison to others, some managers are said to be more informal and unconcerned about time limits in the decision-making process or when to make a decision. According to Mayer, Aquino, Greenbaum, & Kuenzi, (2012), various nations have significant cultural variations, which influence the strategic decision-making process. The national foundation or social culture is one of the reasons why activities appear as they do (Martinsons & Davison, 2007). It is also possible that a manager's cultural background influences his or her decision-making ability. Decisions will be influenced by managers' attitudes, beliefs, and cultural backgrounds. McCabe, Ingram, and Dato-on (2006) demonstrate how cultural differences influence the outcome of a managerial choice. In contrast, Cheng et al. (2010) contend that cultural differences will have a stronger influence on decision-making. The importance of hierarchy in organizations that operate in markets other than their own or are led by a foreign manager is another cultural issue that may impact management.

According to Achterbergh, and Vriens, (2009), hierarchy is a significant feature in the cultural component states that while the group is more important than the individual, "empirical research had also provided support for the idea that the Chinese tend to put the organization's (collective) interest ahead of self-interest in the decision process." They also prioritize excellent connections during the process by keeping harmony, face, and preventing disagreement." As a result, a judgment made by a group of people who are unfamiliar with the subject matter might be unreasonable. Further, Cheng, et al (2010), believe that companies conducting business in international markets should be cognizant of potential cultural differences.

Consider the impact of age on judging what is right and wrong in a decision; it might have a big impact. Even if the individual is misguided or has a different opinion, the individual is obliged to show respect to an aging adult by listening and without fighting. The decision-making process is supposed to be developed by high-ranking management that makes decisions based on the hierarchical structure most of the time. People are trained to respect and listen to their elders, yet there is a distinct hierarchy between managers and employees. (Frank, & Brownell, 1989)

2.4 The Environmental Effect

The impact of the surroundings on leadership and their decision-making process is believed to be significant, and it may play a key role in some circumstances

Internal

According to Kish-Gephart, Harrison, and Treviño, (2010), when it refers to workers who still make choices on a non-strategic level, the internal environment has an impact on management and their decision-making process. These people have less influence and, in most situations, will not voice their opinion about a choice, preferring instead to "follow the leader," even if their expertise is superior to that of a higher-ranking person or management. According to Tabachnick, and Fidell, (2007)., the internal environment is influenced and sometimes even formed by the decision-makers of the company. According to Zain and Kassim (2012), a

creative internal atmosphere leads to more innovative work and performance by employees.

- **External**

The environment, according to Priem, Rasheed, and Kotulic (1995), has a significant impact on management and their decision-making process. Furthermore, according to Priem, Rasheed, and Kotulic (1995), the biggest impact on management occurs when the internal and external environments interact. Graafland and van de Ven, (2011) agree on some points, but primarily argue that speed and completeness are frequently found in a dynamic management environment. Managers, as per Greenberg (2002), must create a hierarchical model that allows people to develop both creatively and at a faster rate in their everyday job.

According to Rassin, and Muris, (2005), a constantly changing and evolving environment that gives possibilities may reduce the need to guarantee that each action is sensible. However, Greenberg, (2002) maintains that when logical judgments must be made, a stable and non-dynamic environment should be preferable. As a result, crucial factors may be recognized more quickly.

- **Decision speed**

The decision-making process's speed is a crucial factor to consider because it influences the decision's result. Allowing a foreign boss or enlisting foreign workers in the decision-making process has both positive and negative aspects. When the project catches the interest of the top administration, certain managers try to speed up the decision-making process (Flannery, Williams, & Vazsonyi, ,1999). The rationale for this is that decisions are frequently made at the top of the hierarchy. Furthermore, according to Craft (2013), certain supervisors are more flexible with timeframes. Other managers are more adaptable to the factors of time in a project and more flexible with deadlines. Based on the circumstances and conditions, this causes the project manager to accelerate or slow down the pace of the project.

According to Craft (2013), a business meeting in China might take a long time since the managers frequently let the process take its time and do not strive to hurry it up. But on the other hand, if choices must be made from the bottom up

before being made, this may result in a lengthy process. To speed up the decision-making process, many managers or businesses choose a system based on defined rules and principles, often known as a rule-based system. This may be beneficial in certain circumstances, but when uncommon or small branches questions are posed or decisions must be made, it may have a negative impact in terms of less innovation, passiveness, and uncertainty avoidance, resulting in longer decision times (Cheng, Rhodes & Lok, 2010).

2.5. Rationality In Decision

Managers and businesses frequently use rationality in decision-making when making strategic decisions. To achieve a goal, rationality entails choosing a reasonable alternative based on the available information (Hough & White, 2003). Organizations may and may factor managers to be analytical, logical, and capable of making fast, precise, and impartial decisions, according to Panagiotou (2008). Panagiotou (2008) goes on to say that managers must use logic to guide all of their activities, such as defining a problem, assessing the situation, and making formal strategies. Boeije (2014) defines reason as follows: "Rationality is defined as "the ability to declare that a conduct is understood within a given frame of reference" and "to assess a behavior as rational is to be able to claim that the action is comprehensible within a particular frame of reference" (Boeije, 2014). However, rationality is not concerned with maximizing predicted value; rather, it is concerned with improving the decision-making process. Furthermore, rationality entails completeness in terms of compilation and analysis, which drive and build strategy toward the objective. When managers omit reason from the decision-making process, they risk making the wrong option because of a lack of choices and analytics (Campbell, & Göritz 2014).

Cheng, et al, (2010) also claim that to maintain a choice sensibly, it is necessary to use analysis, methodical scanning, and careful planning. The speed with which the information will be examined will have a significant influence on the decision-making process; additional information may potentially slow it down. In unknown conditions, some managers still depend on qualitative and private information; they also accept various facts, which might extend strategic perspectives. Still, a rational decision-making process is desired, according to

Cummings, and Worley (2014), who claims that a rational decision-making process is favorably associated with a company's success, particularly in highly dynamic circumstances. (Cummings, & Worley ,2014).

2.6. Hierarchy and Distribution of Authority in The Organization

In 1974, Greenberg and a group of other experts conducted a study on institutional hierarchy in five nations. While describing the hierarchy, the authors stated that "hierarchy goes as close as any social attribute to articulating a basic and universal element of the organization." This argument is based on the social system theory, which says that society is inherently unequally divided. According to Marx, hierarchy is a kind of oppression based on the rule of class. To put it another way, in order to manage something as complex as an organization, the workforce needs be divided into "classes" in a vertical structure, similar to how numerous divisions are combined to make a department or a branch. It should be reduced to the core functional blocks, which in turn contain another block with a specific amount of details, and so on, much like when building a machine.

Max Weber's notion of hierarchy gives a more complete account of the phenomenon. According to McCabe, Ingram, and Dato-on (2006), 'hierarchy' is the vertical chain that may complete the appearance of official functions inside one distinct organizational structure, where each post or office is directed and supervised by a higher one.

The following is the basic foundation of a traditional organizational hierarchy, which is heavily influenced by military structure notions. Except for one person, generally, the CEO, each worker in a business is a subsidiary to someone else. The pyramid-shaped organization is made up of several entities that descend to the pyramid's base, which is filled by staff-level individuals. (2006) (McCabe, Ingram, & Dato-on(

Culture is described as a separate function in a hierarchical organizational structure, which implies that it is developed for roles, coordinating communication methods, and developing rules for resolving conflicts and internal organizational changes. According to (Tabachnick & Fidell,2006), a culture formed and promoted by senior management offers employees with stability and predictability, therefore

meeting the needs-based motivational hierarchy. The hierarchical organizational structure has various advantages that have contributed to its dominance in essentially static conditions over the twentieth century. To begin with, job duties, as well as degrees of authority and accountability, are clearly defined. Power is conveyed aggressively in a pyramid, showing that individuals at the top have far more power than those at the bottom.

The second advantage of a hierarchical organization is that it gives employees a clear path to progress. Employers striving to higher positions may easily understand what their future management position would be since the "ladders," or stages of the organization, are commonly apparent. Furthermore, because of perks such as wage raises, bonuses, and other incentives, advancement is a motivating factor for employees. The third advantage is the extensive managerial experience.

A hierarchical structure allows for the employment or promotion of managers with an expertise relevant to this department. This gain is significant not only from the perspective of the organization as a whole, but also from the perspective of human relations. Employees are more inclined to trust managers who understand the functions well. As a result, outstanding departmental achievements under the supervision of expert leadership may benefit the entire organization. The last benefit mentioned in the literature is the employer's commitment to the area. Unlike other arrangements, where employees are united by the organization's common aim, The unique research aims and the daily regular work activities bring employees closer together in a hierarchy. While loyalty is necessary for supervisors to be confident in their staff, a sense of belonging and significance within a group are significant motivators for employees to achieve greater performance (Cheng-Tak Tai, 2010).

Despite this, the hierarchical organizational structure has several important drawbacks. As per Chen, and Sun's research in 2003, hierarchy causes alienation, conflict, and discontent among bosses at all levels of the organization. Several studies have revealed that supervisors employ various human relations tactics, such as behaving in a helpful and empathetic manner and building a trusting atmosphere by reducing the feeling of subordination. Later, however, their assertions were

disputed. They're said to be "sugar-coating the bitter and underlying hierarchical disputes". Chen and Sun, (2003) developed The Chen Principle, which is another unsatisfactory aspect of the hierarchy. According to the Chen Principle, "every employee in a hierarchy tends to ascend to his degree of incompetence". This remark alludes to employees' disillusionment after getting promoted: employees often believe they know what their obligations are and how to carry them out. Nevertheless, as per Chen, this is not always the case. Chen coined the term "hierarchology" to describe the science of hierarchy. Chen's study is based on a significant number of instances from different hierarchical forms, including government agencies, schools, colleges, and companies, which were used to formulate the theory. Even though this research lacked a genuine scientific foundation and received no acceptance from the science establishment, it might be regarded as one of the hierarchy structure's flaws. (Chen, & Sun, 2003)

Another problem of a bureaucracy is that divisions might make choices that benefit themselves rather than the company as a whole, especially if an inter-departmental rivalry exists. As a result, this may be the result of a lack of interaction between horizontal levels of hierarchy. Each division has its own set of objectives and targets to meet. As a result, it should be the agency's supervisor's obligation to convey goals and ensure that they do not conflict with the broader aim or hurt the company overall (Block, Joern, Philipp Sandner. 2009).

When technology and market conditions began to change rapidly in the twenty-first century, the final significant drawback of hierarchical organization became publicly acknowledged and addressed. Furthermore, huge hierarchical firms began to lose market share as a result of internal bureaucracy and poor responses to consumer and market factors. In addition, according to John P. Kotter's book *Leading Research*, "if ecological instability continues to rise, as most experts now foresee, the typical organization of the 20th century will probably become a dinosaur" (Kotter, 1997).

It's worth noting that the benefits and drawbacks discussed here are typical of a large public sector organization's conventional hierarchical system. Hierarchical characteristics, on the other hand, might change based on the type of organization. For example, Ahearne, William, and Warnock. (2004) recognized various forms of

hierarchical organizations in his research, including bureaucratic, expert, representational democracy, hybrid or postmodern, and network organizations, where hierarchical aspects change depending on the enterprise's typicality. Based on the study's goal, evaluating the positive and negative aspects of just traditional hierarchical structures is a constraint. (Ahearne, William & Warnock. 2004)

Many scholars propose several conceptions of power. In 1872, Engels published one of the most important treatises, in which authority is defined as "the imposition of another's will upon ours". Beadle and Knight (2012) defined authority as a phrase that "involves the rights, prerogatives, responsibilities, and duties associated with certain positions within the organization or social structure" from an organizational standpoint. Also, they defined the phrase "scope of authority," which refers to the range of requests that an organization's management may make and the range of activities that the manager can take.

The range of power, especially in a hierarchal structure, refers to the combination of powers that a superior, such as a senior manager, has over his employees. For example, the superior has the authority to factor obedience and allegiance from his followers, to monopolize communication, to factor special treatment and care from subordinates, and to begin activities and resolve disagreements. The superior is deemed a "boss," which means he or she has the authority to veto or confirm his colleagues' organizational-directed ideas without recourse (Bleijenbergh, 2013).

Several ideas have been proposed to justify how power and authority should be allocated in an institution. For example, Beadle, and Knight (2012) refer to strategic contingency theory, which states that power is based on numerous features of organizational subunits, including problem-solving abilities, workflow certainty, and the amount to which knowledge is unique and replaceable. Moreover, Beadle and Knight (2012) contend that, according to the theory, a natural process regarding the selection of individuals who are the best suited to assist organizations by supporting adaptive capacity to the surroundings.

Political influence and the "institutionalization" processes were used to justify another hypothesis of corporate authority allocation. This process entails senior executives' control, which allows them to exert control over sharing

information and defend their actions to display superior competence. According to Cooren, Kuhn, Cornelissen, & Clark, (2011)., When the best way to respond to environmental constraints is to reach an agreement with a dominant party, the normalization process is still the most successful. The distribution of power, and thus hierarchical organizations, has recently been heavily challenged due to rising circumstances that have harmed the economic environment's stability. Initially, as previously said, huge businesses faced a challenge from rapid innovation development and technological adoption. According to the hypothesis, when an organization's power is strongly institutionalized during a large shift in the environment, it results in a lack of strategic adaptation options, which may contribute to organizational inefficiency and even failure (Dalton, & Ortegren,2012).

Furthermore, the superior's dictatorial one-way privileges over his subordinates are criticized. As per the Gallup Business Survey (2012), just 13% of employees globally are involved in their company's business operations. The questionnaire was sent to nearly 230 000 employees in 140 nations, and it used 12 questions to determine the employee engagement rate, including such as "my superintendent seems to care of me as a person," and "there will be someone at the job who inspires my advancement," and "my organization's goal or intent did make me feel my work is worth".

The measure of employee satisfaction is crucial for a variety of reasons. First, according to the Gallup Corporate Survey (2012), there is a link between employee engagement and important business results. As per the study, engaged workplaces have greater profits, productivity, and client satisfaction, whereas low levels of engagement affect turnover, absence, safety events, and quality faults. Furthermore, poor employee engagement implies a lack of high motivating variables within workers, including ego and identity, which have a detrimental impact on hierarchical organizational performance. Another element affecting the breadth and distribution of power is the millennium generation's shift in the conception of job obligations and duties. Several studies have found that the emerging workforce force of young adults born in the 1990s, also known as generation millennium (King, 2012), generation Z (Kerr, 2011), and "generation Me" (Graafland, 2011), has substantial differences in organizational context from

earlier generations. According to studies, those known as the generation millennium are overly confident, have great standards about the significance of their employment, anticipate satisfaction in their work, have instant satisfaction with their outcomes, and rapid promotion opportunities, and have a high amount of respect for the authenticity of their jobs and can multi-task and the inability to focus on routine tasks.

Furthermore, millennium workers place a higher emphasis on job satisfaction and purpose than those that were important to earlier generations, such as employment security, pay and compensation increases, seek and maternity leaves, and so on. Such a large generational divide presents a challenge for conventional hierarchical organizational managers: how to organize an adolescent workforce that requires a collaborative, reflective, and adaptable workplace environment (Kerr, 2011), which can be achieved primarily through organizational design changes. Generally, one of the most important elements of a hierarchy structure, which is the most well-known kind of organization as "pictures," is the scope and delegation of power. Nevertheless, the necessity for changes in the organizational architecture has been required as a result of the repercussions and criticism brought about by lately developing elements. The study's second portion is devoted to a somewhat different process of organizational design, this time from the organizational point of view as an organism (Mayer et al,2012).

2.7. Organizational Structures and Decision-Making Process

The situation is representative of organizational decision-making procedures. An issue is recognized, individuals who will be engaged in the decision are gathered, information is gathered, options are discovered and reviewed, and a decision is taken, executed, and checked to determine that it does not result in new issues. Rather than starting with the identification of a problem, this notion is supported by the social network's paradigm. Various social networks exist in the setting of Robots Industries, Inc., along with various distinguishing criteria (Bernstein, Shai, Arthur, Korteweg, Kevin Laws. 2016).

Continuing to work for Robots Automakers (the business), "Going to supply Industrial robot Automakers" (the company and its suppliers), "Purchasing robots from Robots Makers" (the corporation and its customers), "Actually creating robots"

(the corporation and its rivals), and so on are all instances of discriminatory factors. When operations are regular, the company assumes a bureaucratic attitude: information passes through employees along the organization's hierarchical network, with each person utilizing or not using the data for his or her purposes, with little regard for the aims of others (Achterbergh & Vriens,2009).

The regular flow of data in the firm is as follows: clients order robots from the company, the purchasing team orders parts from vendors, the shop supervisor informs the employees of the plans, and so forth. All of this data travels freely within the business, with no difficulties discovered. The global organizational chart determines the structure of the company, but its division into units or departments gives a good concept of the societies that arise inside the company and the community (for instance, the firm's executive board, which is horizontal ly comprised of senior managers from all depts., or the production, which is vertically comprised of senior managers from all departments). comprising machine tool manufacturers' representatives and specialist staff on the production line). The organization chart in this example is descriptive rather than normative (Bentler, 2006).

Players are free to build communities that span many units and/or departments. However, when an unanticipated machine failure happens, a mission ("issue to solve") develops in the framework of the organization ("normal state") (Amir, & Gati, 2006).

Both the task and its surroundings must be taken into account. Both mobilize a group of people in social networking sites and/or regions who are concerned about the purpose and aware of its context. Along with the purpose and its context, a structure of tasks to be completed and responsibilities that group members must perform emerges. Individuals assigned to roles become actors, and the collection of actors is recruited, organized, and disciplined as a working group. During the task force's formation, the functional linkages between the company's current players (i.e. the currently serves) tend to fade into the background and are layered with the relationships among roles. To put it another way, individuals are assigned responsibilities based on the factors of the (mission, context) pair rather than the function of the persons in the underlying organization. This means that the hierarchy

of a task force does not always match the hierarchal structure of the enterprise (Boeije, 2014).

In view of the empirical evidence analyzed in the literature, the present thesis confirms the importance of adapting the horizontal organizational structure in the organizations to make an effective decision-making through depending basically on the task factor, especially in oil sector in Iraq. Recent studies also referred that horizontal organizational structure makes the decision-making process easier and more acceptable among the employees in the organization (Amir, & Gati, 2006, Zhang, Zhao, & Qi, 2014, Safari, Salehzadeh, & Ghaziasgar, 2018)

The horizontal organizational structure where the managers have a wide span of control with more subordinates, there is usually a short chain of command (Zhu & Jiao, 2013, Mills, 2019). Besides helping managers in taking the easy and appropriate decisions, this research also points to the importance of depending on the horizontal organizational structure in evaluating the choice's level of complexity, identifying information gaps, evaluating the benefits of the decision makers' choices, processing information about the matter at hand, identifying the factors that influence the decision makers' choices, listening to others' viewpoints regarding the decision, and assessing if the decision's implications are socially acceptable and in accordance with social norms.

2.8. Horizontal Organizational Structures and Decision-Making Process in Iraq

Many studies in Iraq dealt with the issue of applying the organizational structure in Iraqi institutions in terms of efficiency in decision-making and the possibility of achieving the goals set within the framework of regulations and laws.

According to the Zahraa Al-Rubaye and Ahmed Raouf Mahjoob (2020), Companies in Iraq are attempting to introduce horizontal organizational structures in the construction sector since middle managers are typically the most experienced individuals in a functional area, allowing them to quickly transition to coaches and assist teams develop. Soft skills are also necessary for team building and mentoring. Middle managers will most certainly lose the ability to promote and remove

employees, which is a good thing. Leadership should be earned rather than bestowed. As a result, it is preferable to transition from the old vertical structure to a horizontal structure, which allows intermediate departments to participate in decision-making and promotes communication between all departments in the business.

In Sanaa Yousef's study, about the appropriate organizational structure in the educational institutions Yousef in (2012), found that the application of the vertical organizational structure is prevalent in Iraqi educational institutions compared to the horizontal structure, where vertical communications are prevalent in these organizations and that centralization is the main feature. On the other hand, the relationships between the administrative levels in these institutions are subject to central legal controls controlled by them that limit the possibility of participation of the subordinates in the managerial decision-making process. This study recommended the need for Iraqi educational organizations to rely on horizontal organizational structures in order to make decisions more efficient and enhance the achievement of the goals of these organizations.

From these studies mentioned, we can conclude that the applied organizational structure in Iraqi institutions for the different sectors can also be applied to the oil companies' sector. As supported by the result of this research, based on the analysis of test results related to hypotheses the horizontal organizational structure affects positively the three factors of decision making process (task, subject, context).

CHAPTER THREE

METHODOLOGY

The research design, participants, methods, survey instruments, and analytical techniques utilized to assess the hypotheses are all described in the methodology section. Sampling, measures, research design, data collection, and data analysis are all included.

3.1. Research Design

This research was designed to test the impact of horizontal organization structure on the decision-making process on the base of the factors that characterize the decision-making process (task, subject, and context).

To examine and further broaden the knowledge of relationships among the dependent and independent variables, this study did not include demographic and socio-psychographic components.

The data were collected between October 2021 and January 2022 the SPSS statistical program has been used to evaluate the data collected from the questionnaire.

The convenience random sampling approach was used for this study, and the sample size was determined based on the information gathered from Missan oil business managers. The researcher has been meeting the respondents face to face and giving them the questionnaire and after a few days has taken the questionnaire back.

This thesis has depended on the quantitative method of distributing the questionnaire.

In the questionnaire Likert scale was used, where 1 = absolutely I disagree and 5= absolutely I agree. Descriptive analyzes, Factor analysis, Correlation analysis, and regression analysis were used.

3.2. Data Collection

In this study, a total of 565 questionnaires have been distributed, 7 questionnaires were not included due to the missing data. As a result, 558 responses were included in the data analysis.

For data analysis. Employees working in the Missan Oil Company in Iraq represent the target population. However, 565 employees randomly only were as the sample respondents in this study.

The questionnaire consisted of two sections; the first section of the questionnaire presents descriptive information about the respondents (gender, age, etc.)

Information about a respondent, the gender, age, academic rank, and years of experience. The second section included questions to measure the organizational horizontal (independent) structure and decision-making process, (dependent) variables based on their operational definitions.

3.3. The Universe and Sample

The statistical population included all managers and employees of the Missan Oil Company, Iraq.

The reasons for choosing Missan Oil Company in Iraq as the research universe are as follows:

- It is one of the most important companies in Iraq
- It is easy to reach the sample and collect data

3.4. The Sample Size of The Population

The study sample was taken from the Missan Oil Company in Iraq, and the study sample was extracted using the law (Steven k. Thompson) equation to calculate the sample size, form the next formula (Thompson, 2012):

$$n = \frac{N \times p(1-p)}{\left[\left[N - 1 \times \left(d^2 \div z^2 \right) \right] + p(1-p) \right]}$$

Where,

n: sample size

N: population size (about 6800)

z: confidence level

d: Error proportion

p: probability

According to this Formula I have studied with approximately 565 people.

3.5. Measures

Organizational horizontal Structure has 8 items was derived from the scale developed by Dr. Rishipal, (2014) like (I think in a horizontal organization decisions are made collectively where everyone gets a chance to express their views and opinions And I think that open communication and collaboration are encouraged in companies with horizontal organizational structures) and decision making process items was derived from the scale developed by (Luisa Sanz, Teresa, , Soria and Closas ,2009) measured using 22 items like (I think that our company gather as much information as possible about the decision , I think that our company listen to other people's opinions about the decision , I think that our company listen to other people's opinions about the decision and I think that our company try to discover the key information about the decision) . In order to explore the impact of organizational horizontal Structure on decision making process, in which these variables have been measured using 5-points Likert scale.

3.6. Hypothesis of the Study

The study is hypothesized as follows:

H1: there is a positive relationship between horizontal organization structure and task factor of decision making process

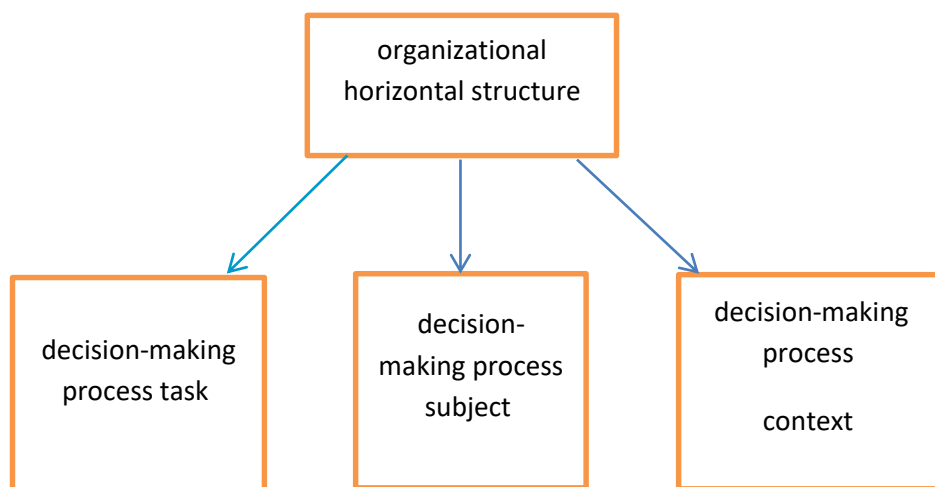
H2: there is a positive relationship between horizontal organization structure and subject factor of decision making process

H3: there is a positive relationship between horizontal organization structure and context factor of decision making process.

H4: there is differences between the decision making factors (task, subject and context) according to the demographic variables like age, gender, and education.

3.7. Research Model

The research model is the focus of this research study. Figure below shows a visual representation of the research model, which specifically identifies organizational horizontal structure and decision making process, and their influences on three constructs of decision making process, including task factor, subject factor, and context factor.



CHAPTER FOUR DATA ANALYSIS AND FINDINGS

4.1. Descriptive Statistics

Table 1: Age Frequency Analyses

	Frequency	Percent	Valid Percent	Cumulative Percent
18-24 YEARS OLD	124	22.2	22.2	22.2
25-34 YEARS OLD	108	19.4	19.4	41.6
35-44 YEARS OLD	117	21.0	21.0	62.5
45-54 YEARS OLD	91	16.3	16.3	78.9
55-65 YEARS OLD	118	21.1	21.1	100.0
Total	558	100.0	100.0	

As seen from the table one which describes the age frequency analyses that the age of more than 22% from the respondents are between 18 and 24 years old. The age of about 21% from the respondents are between 35 and 44 years old and the same percent for the respondents that their age between 55 and 65 years old, about 16.3% from the respondents their age between 45 and 54 and about 19.4% from the respondents their age between 25 and 34 years old.

Table 2: Gender Frequency Analyses

	Frequency	Percent	Valid Percent	Cumulative Percent
MALE	323	57.9	57.9	57.9
FEMALE	235	42.1	42.1	100.0
Total	558	100.0	100.0	

As seen from the table two which describes the gender frequency analyses it can be noticed that approximately 58% from the respondents are male and about 42% are female, the high percent of male is maybe because the nature of the oil companies' activities which factors a hard work.

Table 3: Education Frequency Analyses

	Frequency	Percent	Valid Percent	Cumulative Percent
LESS THAN COLLEGE	196	35.1	35.1	35.1
COLLEGE	65	11.6	11.6	46.8
BACHELOR'S DEGREE	229	41.0	41.0	87.8
POSTGRADUATE DEGREE	68	12.2	12.2	100.0
Total	558	100.0	100.0	

As seen from the table three which describes the education frequency analyses it can be noticed that about 41% from the sample respondents have a bachelor's degree, about 35.1% have less than college degree, about 11.6 % have college degree and about 12.2 from the respondents have postgraduate degree. the high percent of the respondents that have less than college degree belongs to the nature of the work in the oil companies which requires a hard work.

Table 4: Department Place Frequency Analyses

	Frequency	Percent	Valid Percent	Cumulative Percent
Administrative affairs	195	34.9	34.9	34.9
Production	73	13.1	13.1	48.0
Research and development	35	6.3	6.3	54.3
Quality department	87	15.6	15.6	69.9
Financial	67	12.0	12.0	81.9
Sales and marketing	43	7.7	7.7	89.6
Logistic	32	5.7	5.7	95.3
service (cleaning, security,..)	26	4.7	4.7	100.0
Total	558	100.0	100.0	

As seen from the table four which describes the department place frequency analyses for the respondents that about 34.9% of the participants are working in the administrative affairs department in the company, 15.6 % are working in the quality and control department, 12.0% are working in the financial and accounting

department and the rest are working in production department 13.1% , Sales and marketing department 7.7% logistic department 5.7% and service providing department like security and cleaning 4.7%.

Table 5: Monthly Income Frequency Analyses

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0 to 1000 \$	147	26.3	26.3	26.3
1000 to 2000 \$	52	9.3	9.3	35.7
2000-3000\$	251	45.0	45.0	80.6
more than 3000\$	108	19.4	19.4	100.0
Total	558	100.0	100.0	

As seen from the table five which describes the monthly income frequency analyses for the employees in the oil company it can be noticed that about 45% from the respondents have a monthly income between 2000 to 3000 \$ as a monthly income , about 9.3 from the respondents have a monthly income between 1000 to 2000 \$,about 26% from the employees have a monthly income \$ less than 1000 \$ as a monthly income and about 19.4% have a monthly income more than 3000\$ as a monthly income.

Table 6: Structure Type Frequency Analyses

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid horizontal	404	72.4	72.4	72.4
hierarchical	154	27.6	27.6	100.0
Total	558	100.0	100.0	

As seen from the table six which describes the organizational structure type frequency analyses for the oil company , it can be noticed that about 72.4% from the employees believes that their companies structure is horizontal , whereas about 27.6% believe that their companies structure is hierarchical, this differences in answers for this question maybe belongs to the nature of the working of the oil companies , the multiplicity of departments, the diversity of work, the overlapping of powers and responsibilities between the different departments, and the lack of clarity in the lines of communication between departments in the company.

Table 7: Leadership Style Frequency Analyses

Frequency	Percent	Valid Percent	
Authoritarian Leadership	12	2.2	2.2
Participative Leadership	437	78.3	78.3
Delegate Leadership	40	7.2	7.2
Transactional Leadership	34	6.1	6.1
Transformational Leadership	35	6.3	6.3
Total	558	100.0	100.0

As seen from the table seven which describes the leadership style frequency analyses for the Misan oil company, it can be noticed that about 78% from the respondents think that the leadership style of their company is a participative leadership style, about 6% think that the leadership style of the company is a transactional leadership and the same percentage for the transformational leadership and about 7.2% from the respondents believe that it is a delegate leadership, the results of this analysis showed that the big percent of the employees in the Misan oil company are fully aware of the leadership style followed by them, and this is probably due to the similarity of procedures, instructions, and the pattern of participation followed by managers in the company.

Table 8: Skewness and Kurtosis analyses

Factor's Name	Question items	Mean	Std. Deviation	Skewness	Kurtosis
Horizontal Organizational Structure	I think in a horizontal organization any employee can feel that he has more direct influence on the company.	3.1272	1.47995	-.180	-1.299
	I think in a horizontal organization top managers can generally be much more effective.	2.9265	1.49924	-.006	-1.404
	I think that decisions can often be made and carried out more quickly in horizontal structures.	2.8584	1.65293	.165	-1.575
	I think that the employees in horizontal organizations tend to be more adaptable in changing or unique circumstances.	2.9964	1.61900	-.032	-1.588
	I think in horizontal organization decisions are made collectively	3.1505	1.58616	-.325	-1.496

	where everyone gets a chance to express their views and opinions				
	I think that open communication and collaboration are encouraged in companies with horizontal organizational structures	2.8082	1.53035	.117	-1.498
	I think that horizontal organizational structures can more easily communicate with employees at all levels.	2.9552	1.75311	-.014	-1.805
	I think that horizontal organizational structures empower managers to help the company reach those goals	3.0036	1.65411	-.108	-1.683
	I think that our companies study the degree of difficulty of the decision	3.0968	1.46213	-.165	-1.299
	I think that our company organize the action sequence if the decision is complex	3.0842	1.51772	-.180	-1.520
	I think that our company gather as much information as possible about the decision	3.1792	1.63230	-.310	-1.550
Decision Making Task	I think that our company try to discover the key information about the decision	3.1649	1.38913	-.112	-1.172
	I think that our company analyze whether the goals interfere with each other	2.8208	1.61905	.162	-1.547
	I think that our company choose the appropriate actions for the decision	3.2993	1.40211	-.167	-1.205
	I think that our company try to foresee the consequences of the decision	3.1022	1.34737	-.120	-1.100
	I think that our company determine whether the consequences have long-term effects	3.0950	1.47143	.059	-1.408
	I think that our company accept responsibility for the decision	2.8943	1.68995	.133	-1.677
	I think that our company review the gathered information about the decision	3.2993	1.54235	-.527	-1.269
	I think that our company evaluate the need to make the decision	2.8351	1.59602	.056	-1.586
	I think that our company identify the factors that affect the decision	3.0125	1.80211	-.061	-1.843
Decision Making Subject	I think that our company review decision strategies which taken in the past	3.1344	1.67831	-.263	-1.648
	I think that our company motivate the team to make decision	3.2079	1.45420	-.256	-1.215
	I think that our company help team to overcome moments of fear	3.1810	1.52932	-.301	-1.469
	I think that our company try to control the reaction of the decision	3.2276	1.67144	-.347	-1.563

	I think that our company try to avoid any conflict with others	3.3602	1.50200	-.597	-1.119
	I think that our company adapt with the change of the environment	2.9444	1.61305	-.072	-1.625
	I think that our company listen to other people's opinions about the decision	3.0466	1.78503	-.086	-1.823
Decision Making Context	I think that our company try to determine whether the consequences of the decision are socially acceptable	3.1039	1.68315	-.235	-1.670
	I think that our company try to determine whether the decision respects social rules	3.2025	1.49092	-.236	-1.315
	I think that our company try to discover the relation between work rules and personal interests	3.2939	1.50868	-.476	-1.312

The table eight above demonstrate the mean, std. deviation, skewness and kurtosis analyses for the item questions, these analyses are so important to configure out if the distribution of the obtained data is normal or not, A skewness and kurtosis value between ± 1.0 is considered excellent for most psychometric purposes, but a value between ± 2.0 is in many cases also acceptable, depending on the particular application." (George & Mallery, 2010), Depending on the results it can be noticed that distribution of the obtained data is normal.

Table 9: Factor and Cronbach's Reliability analyzes

Factor's Name	Question items	Factor Loading	KMO	Cronbach's Reliability Coefficients
Horizontal Organizational Structure	1	.374	.723	.807
	2	.605		
	3	.658		
	4	.741		
	5	.778		
	6	.790		
	7	.782		
	8	.630		
Decision Making Task Factor	1	.758	.795	.895
	2	.818		
	3	.772		
	4	.647		
	5	.811		
	6	.627		
	7	.759		

	8	.636		
	9	.777		
	1	.834		
	2	.834		
Decision Making Subject Factor	3	.817		
	4	.779	.686	.818
	5	.824		
	6	.792		
	7	.660		
	1	.770		
	2	.801		
Decision Making Context Factor	3	.840		
	4	.758	.642	.804
	5	.784		
	6	.691		

The table nine above demonstrates the factor loading, KMO, and Cronbach's Reliability analysis results, the factor loading value for each question item have to be more than 0.50, and KMO more than 0.50 and Cronbach's Reliability value have to be more than 70% according to the Sharma, Netemeyer, & Bearden, & (2003). to indicates if there is an internal consistency and reliability of the data.

It can be noticed from the obtained results that the data is suitable for analysis except question item 1 of horizontal organizational structure is an unsuitable item (low factor loading), so it has been eliminated.

Table 10: KMO and Bartlett's Test for All Question Items

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.778
Bartlett's Test of Sphericity	Approx. Chi-Square	1526.058
	df	28
	Sig.	.000

This test determines whether relationships among variables are significant with reference to the correlation matrix. The significance level of this test is 0.000 (should be less than 0.05), which leads us to the conclusion that factor analysis is significant and appropriate.

Table 11: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.124	33.748	33.748	10.124	33.748	33.748
2	4.006	13.353	47.101	4.006	13.353	47.101
3	2.352	7.841	54.942	2.352	7.841	54.942
4	1.779	5.931	60.873	1.779	5.931	60.873
5	1.444	4.815	65.687	1.444	4.815	65.687
6	1.310	4.365	70.052	1.310	4.365	70.052
7	1.132	3.773	73.825	1.132	3.773	73.825
8	.956	3.188	77.013			
9	.861	2.870	79.884			
10	.789	2.628	82.512			
11	.701	2.338	84.850			
12	.545	1.816	86.665			
13	.521	1.737	88.402			
14	.504	1.679	90.081			
15	.417	1.391	91.473			
16	.389	1.298	92.770			
17	.356	1.186	93.957			
18	.279	.929	94.886			
19	.257	.856	95.741			
20	.250	.833	96.574			
21	.196	.654	97.228			
22	.182	.606	97.835			
23	.158	.527	98.362			
24	.115	.384	98.746			
25	.108	.359	99.105			
26	.101	.337	99.442			
27	.069	.230	99.672			
28	.044	.146	99.818			
29	.030	.100	99.918			
30	.024	.082	100.000			

The overall variance is the sum of the variances of all separate significant components. The proportion of variation explained by a major component is the ratio of its variance to the total variance. Divide the total variance by the sum of the variances of several major components. To claim that the findings are appropriate for analysis, Eigenvalue must be greater than one and variance explained values must be greater than 50% (Field, 2016). Based on the table above, it can be determined that the results are good and suitable for analysis.

Table 12: Correlation analysis

	FOS	TF	SF	CF
FOS	1	.833(**)	.372(**)	.415(**)
TF	.833(**)	1	.403(**)	.464(**)
SF	.372(**)	.403(**)	1	.847(**)
CF	.415(**)	.464(**)	.847(**)	1

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

As seen from the table 12 which describes the correlations analysis between horizontal structure and the three constructs of decision making process, including task factor, subject factor, and context factor, it can be noticed that the correlation between the factors is positive and significant at the 0.01 level. The results in the table 12 also showed that the correlation value between horizontal structure and the decision making process (task factor) is the highest at .833(**) than the correlation between horizontal structure and the decision making process (context factor) at .415(**) and finally comes the correlation value between horizontal structure and the decision making process (subject factor) at .372(**) which mean that when the decisions are made the horizontal structure affects the task factor (Time/Money, Information/Goals, and Consequences of decision) more than the subject factor (Motivation and Self-regulation) and the context factor (Social pressure Work pressure).

4.2. Results of Difference Analysis According to Demographic Characteristics

Before conducting one-way ANOVA test, levene's test is used to verify that variances are equal for all samples ,when the p-value is greater than.05, that mean the assumption of homogeneity of variance has been meted and one-way ANOVA test could be done.

Table 13: Test of Homogeneity of Variances for Age

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	.888	3	553	.471
Subject	Based on Mean	1.324	3	553	.260
task	Based on Mean	.348	3	553	.845

Table 14: Analysis of Variance for Age

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	9.667	4	2.417	1.972	.097
	Within Groups	677.670	553	1.225		
	Total	687.337	557			
SF	Between Groups	1.568	4	.392	.313	.869
	Within Groups	692.048	553	1.251		
	Total	693.616	557			
CF	Between Groups	2.078	4	.519	.400	.809
	Within Groups	718.247	553	1.299		
	Total	720.325	557			

Since the attendants' age were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test was applied to determine whether there was a significant difference between variables (task, subject and context factors) according to age.

Based on the result presented in Table 13, there was a no significant difference in decision making factors (task, subject and context) according to the age of respondents where (Sig. >0.05).

Table 15: Test of Homogeneity of Variances for Gender

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	.003	1	556	.956
Subject	Based on Mean	2.265	1	556	.133
task	Based on Mean	1.890	1	556	.170

Table 16: Analysis of Variance for Gender

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	.482	1	.482	.391	.532
	Within Groups	686.854	556	1.235		
	Total	687.337	557			
SF	Between Groups	.154	1	.154	.123	.726
	Within Groups	693.462	556	1.247		
	Total	693.616	557			
CF	Between Groups	.096	1	.096	.074	.786
	Within Groups	720.229	556	1.295		
	Total	720.325	557			

Since the attendants' gender were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test was applied to determine whether there was a significant difference between variables (task, subject and context) according to gender. Based on the result presented in Table 14, there was a no significant difference in decision making factors (task, subject and context) factors according to the gender of respondents where (Sig. > 0.05).

Table 17: Test of Homogeneity of Variances for Education

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	2.112	3	554	.098
Subject	Based on Mean	.050	3	554	.985
task	Based on Mean	.219	3	554	.883

Table 18: Analysis of Variance for Education

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	7.108	3	2.369	1.930	.124
	Within Groups	680.228	554	1.228		
	Total	687.337	557			
SF	Between Groups	9.543	3	3.181	2.576	.053
	Within Groups	684.072	554	1.235		
	Total	693.616	557			
CF	Between Groups	8.433	3	2.811	2.187	.088
	Within Groups	711.892	554	1.285		
	Total	720.325	557			

Since the attendants' education were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test was applied to determine whether there was a significant difference between variables (task, subject and context) according to education. Based on the result presented in Table 15, there was a no significant difference in decision making factors (task, subject, and context) factors according to the education of respondents where (Sig. >0.05).

Table 19: Multiple Comparisons Scheffe Analysis

Multiple Comparisons							
Scheffe							
Dependent Variable	(I) education	(J) education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
TF	LESS THAN COLLEGE	COLLEGE	.08211	.15860	.966	-.3626	.5268
		BACHELOR DEGREE	.19091	.10783	.372	-.1114	.4933
		POSTGRADUATE DEGREE	.33287	.15595	.209	-.1044	.7702
	COLLEGE	LESS THAN COLLEGE	-.08211	.15860	.966	-.5268	.3626
		BACHELOR DEGREE	.10880	.15573	.921	-.3279	.5455
		POSTGRADUATE DEGREE	.25075	.19221	.637	-.2882	.7897
	BACHELOR DEGREE	LESS THAN COLLEGE	-.19091	.10783	.372	-.4933	.1114
		COLLEGE	-.10880	.15573	.921	-.5455	.3279
		POSTGRADUATE DEGREE	.14196	.15303	.835	-.2872	.5711
	POSTGRADUATE DEGREE	LESS THAN COLLEGE	-.33287	.15595	.209	-.7702	.1044
		COLLEGE	-.25075	.19221	.637	-.7897	.2882
		BACHELOR DEGREE	-.14196	.15303	.835	-.5711	.2872

SF	LESS THAN COLLEGE	COLLEGE	.03022	.15905	.998	-.4158	.4762
		BACHELOR DEGREE	.16641	.10813	.500	-.1368	.4696
		POSTGRADUATE DEGREE	.40966	.15639	.078	-.0289	.8482
	COLLEGE	LESS THAN COLLEGE	-.03022	.15905	.998	-.4762	.4158
		BACHELOR DEGREE	.13619	.15617	.859	-.3017	.5741
		POSTGRADUATE DEGREE	.37944	.19276	.276	-.1611	.9200
	BACHELOR DEGREE	LESS THAN COLLEGE	-.16641	.10813	.500	-.4696	.1368
		COLLEGE	-.13619	.15617	.859	-.5741	.3017
		POSTGRADUATE DEGREE	.24326	.15346	.474	-.1871	.6736
	POSTGRADUATE DEGREE	LESS THAN COLLEGE	-.40966	.15639	.078	-.8482	.0289
		COLLEGE	-.37944	.19276	.276	-.9200	.1611
		BACHELOR DEGREE	-.24326	.15346	.474	-.6736	.1871
CF	LESS THAN COLLEGE	COLLEGE	.15054	.16225	.835	-.3044	.6055
		BACHELOR DEGREE	.22838	.11031	.233	-.0809	.5377
		POSTGRADUATE DEGREE	.34639	.15954	.195	-.1010	.7938
	COLLEGE	LESS THAN COLLEGE	-.15054	.16225	.835	-.6055	.3044
		BACHELOR DEGREE	.07784	.15931	.971	-.3689	.5246
		POSTGRADUATE DEGREE	.19585	.19664	.803	-.3555	.7472
	BACHELOR DEGREE	LESS THAN COLLEGE	-.22838	.11031	.233	-.5377	.0809
		COLLEGE	-.07784	.15931	.971	-.5246	.3689
		POSTGRADUATE DEGREE	.11801	.15655	.904	-.3210	.5570
	POSTGRADUATE DEGREE	LESS THAN COLLEGE	-.34639	.15954	.195	-.7938	.1010
		COLLEGE	-.19585	.19664	.803	-.7472	.3555
		BACHELOR DEGREE	-.11801	.15655	.904	-.5570	.3210

It is clear from the previous table that there are statistically non-significant differences at the level of (0.05) attributed to the education variable between the decision making factors (task, subject and context).

Table 20: Test of Homogeneity of Variances for Department

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	.343	7	550	.934
Subject	Based on Mean	1.594	7	550	.135
task	Based on Mean	.906	7	550	.502

Table 21: Analysis of Variance for Department

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	9.760	7	1.394	1.132	.341
	Within Groups	677.577	550	1.232		
	Total	687.337	557			
SF	Between Groups	11.206	7	1.601	1.290	.253

	Within Groups	682.410	550	1.241		
	Total	693.616	557			
CF	Between Groups	9.971	7	1.424	1.103	.360
	Within Groups	710.353	550	1.292		
	Total	720.325	557			

Since the attendants' department were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test was applied to determine whether there was a significant difference between variables (task, subject and context) according to department. Based on the result presented in Table 17, there was a no significant difference in decision making factors (task, subject and context) factors according to the department of respondents where (Sig. >0.05).

Table 22: Test of Homogeneity of Variances for Monthly Income

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	.935	3	554	.423
Subject	Based on Mean	.251	3	554	.860
task	Based on Mean	.608	3	554	.610

Table 23: Analysis of Variance for Monthly Income

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	5.387	3	1.796	1.459	.225
	Within Groups	681.950	554	1.231		
	Total	687.337	557			
SF	Between Groups	2.911	3	.970	.778	.506
	Within Groups	690.705	554	1.247		
	Total	693.616	557			
CF	Between Groups	1.207	3	.402	.310	.818
	Within Groups	719.118	554	1.298		
	Total	720.325	557			

Since the attendants' monthly income were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test

was applied to determine whether there was a significant difference between variables (task, subject and context) according to monthly income. Based on the result presented in Table 18, there was a no significant difference in decision making factors (task, subject and context) factors according to the monthly income of respondents where (Sig.>0.05).

Table 24: Test of Homogeneity of Variances for Structure Type

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	2.493	1	556	.115
Subject	Based on Mean	2.835	1	556	.093
task	Based on Mean	2.388	1	556	.123

Table 25: Analysis of Variance for Structure Type

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	8.166	1	8.166	6.685	.010
	Within Groups	679.171	556	1.222		
	Total	687.337	557			
SF	Between Groups	3.273	1	3.273	2.636	.105
	Within Groups	690.342	556	1.242		
	Total	693.616	557			
CF	Between Groups	3.437	1	3.437	2.665	.103
	Within Groups	716.888	556	1.289		
	Total	720.325	557			

Since the attendants' structure type were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test was applied to determine whether there was a significant difference between variables (task, subject and context) according to structure type. Based on the result presented in Table 20, there was a no significant difference in decision making factors (task, subject and context) factors according to the structure type of respondents where (Sig.>0.05).

Table 26: Test of Homogeneity of Variances for Leadership Style

		Levene Statistic	df1	df2	Sig.
Context	Based on Mean	.862	4	553	.487
Subject	Based on Mean	.729	4	553	.572
task	Based on Mean	1.100	4	553	.356

Table 27: Analysis of Variance for Leadership Style

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
TF	Between Groups	8.166	1	8.166	6.685	.010
	Within Groups	679.171	556	1.222		
	Total	687.337	557			
SF	Between Groups	3.273	1	3.273	2.636	.105
	Within Groups	690.342	556	1.242		
	Total	693.616	557			
CF	Between Groups	3.437	1	3.437	2.665	.103
	Within Groups	716.888	556	1.289		
	Total	720.325	557			

Since the attendants' leadership style were distributed normally and their variances were homogeneously distributed (Levene test: $p > 0,05$), an ANOVA test was applied to determine whether there was a significant difference between variables (task, subject and context) according to leadership style. Based on the result presented in Table 21, there was a no significant difference in decision making factors (task factor, subject factor and context) factors according to the leadership style of respondents where (Sig. >0.05). According to the results of the variance analysis of the demographic analysis where the $p > 0.05$, the hypothesis H4 is not supported.

4.3. Linear Regressions Analysis

Regression analysis between horizontal structure and the decision making process (task factor)

Table 28. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 ^a	.693	.693	.61220

a. Predictors: (Constant), TF

Table 29. ANOVA ANALYSIS

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	470.951	1	470.951	1.257E3	.000 ^a
	Residual	208.384	556	.375		
	Total	679.335	557			

a. Predictors: (Constant), TF

b. Dependent Variable: FOS

Table 30. Transaction table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.406	.076		5.308	.000
	TF	.828	.023	.833	35.448	.000

a. Dependent Variable: FOS

As seen from the tables above which describes the regression analysis between horizontal structure and the decision making process (task factor), it can be noticed that

- Correlation coefficient = .833, and the adjusted coefficient of adjustment = .693, which means that 69.3% of the change in the participation of decision-making task factor was explained through the linear relationship with the horizontal organizational structure and the remaining percentage may be due to other factors

- The value of the calculated F is 1.257E3, and the probability value is 0.000, which means that there is a positive and significant relationship between horizontal organization structure and decision making process (task factor s) $p < 0.05$, the hypothesis H1 is supported.

4.4 Regression analysis between horizontal structure and the decision making process (subject factor)

Table 31. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.372 ^a	.139	.137	1.02584

a. Predictors: (Constant), SF

Table 32. Anova Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.226	1	94.226	89.539	.000 ^a
	Residual	585.109	556	1.052		
	Total	679.335	557			

a. Predictors: (Constant), SF

b. Dependent Variable: FOS

Table 33. Transaction table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.804	.129		13.946	.000
	SF	.369	.039	.372	9.462	.000

a. Dependent Variable: FOS

As seen from the tables above which describes the regression analysis between horizontal structure and the decision making process (subject factor), it can be noticed that

- Correlation coefficient = .372, and the adjusted coefficient of adjustment = .137, which means that 13.7% of the change in the participation of decision-making subject factor was explained through the linear relationship with the horizontal organizational structure and the remaining percentage may be due to other factors

- The value of the calculated F is 89.539, and the probability value is 0.000, which means that there is a positive and significant relationship between horizontal organization structure and decision making process (subject factor) $p < 0.05$, the hypothesis H2 is supported.

4.5 Regression analysis between horizontal structure and the decision making process (context factor)

Table 34. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.415 ^a	.172	.170	1.00590

a. Predictors: (Constant), CF

Table 35. Anova Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116.750	1	116.750	115.384	.000 ^a
	Residual	562.585	556	1.012		
	Total	679.335	557			

a. Predictors: (Constant), CF

b. Dependent Variable: FOS

Table 36. Transaction table

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.685	.126		13.396	.000
	CF	.403	.037	.415	10.742	.000

a. Dependent Variable: FOS

As seen from the tables above which describes the regression analysis between horizontal structure and the decision making process (context factor), it can be noticed that

- Correlation coefficient = .415, and the adjusted coefficient of adjustment = .170, which means that 17% of the change in the participation of decision-making context factor was explained through the linear relationship with the horizontal organizational structure and the remaining percentage may be due to other factors

- The value of the calculated F is 115.384, and the probability value is 0.000, which means that there is a positive and significant relationship between horizontal organization structure and decision making process (context factor) $p < 0.05$, the hypothesis H3 is supported.

Finally, according to the results of the linear regression we can notice that the independent factor (horizontal organizational structure) interprets the dependent factor task factor (R Square=.693) more than subject (R Square=.139) and context factor (R Square=.172).

4.6. LIMITATIONS

The outcomes of this thesis may have been impacted by certain restrictions. The survey questions, in particular, were formatted in a similar way, which might have resulted in "response trending." This would imply that the pattern of preceding questions impacted the replies to questions.

Furthermore, the duration of work was not taken into account in this study. It's conceivable that the responses supplied by freshly hired employees did not adequately reflect the organization's activities.

The convenience sample technique of data collecting is also a possible weakness of this study. The breadth of survey respondents may have been altered by convenience sampling due to its nature.

To keep the scope of the investigation under control, this research collected data from Iraq county. It is understood that there are disparities in different sections of the country and that the findings of this study are specific to Iraq.



CONCLUSION AND RECOMENDATIONS

The main purpose of this thesis was to find if there is a positive and significant relationship between horizontal organizational structure and decision-making process, by taking the three factors of decision making process which are task, subject, and context factor.

According to Rahman, N, & de Feis, G (2009), the decision is defined according to the actions taken considering the specific resources and environment. The decision-making process and its relationship to the organizational structure of the organization has been extensively studied by a group of researchers in the light of identifying alternatives to decision making and focusing on the most appropriate alternative and evaluating the results (Dror, Katona, & Mungur, 1998: Amir, & Gati, 2006: Craft, 2013 Zhang, Zhao, & Qi, 2014).

According to the literature (Cannon-Bowers, & Salas, 2002; Amir, & Gati, 2006; Craft, 2013) the horizontal organizational structure affects the decision making (task factor) through helping the managers in the organization by assisting the managers in the organization in overcoming the uncertain elements, quickly alter their preferences if something goes wrong, to be aware if their choice results in novelties, assess the personal risk associated with their choice. Furthermore, the horizontal organizational structure helps the mangers to gauge the time they have to make that choice, plan their actions accordingly, and determine whether the costs are in line with the money they have. Evaluating the choice's level of complexity, gathering as much information as feasible, identifying information gaps, determining if the consequences have long-term impacts, overcoming the negative repercussions, and selecting the proper course of action for the decision are also the other benefits of the horizontal organizational structure from the side of decision making.

The results of this study supported the literature (Dror, Katona, & Mungur, 1998: Power, 2002; Zhang, Zhao, & Qi, 2014), and found that there is a positive and significant relationship between horizontal organizational structure and decision making process (task factor) $p < 0.05$. From other side the horizontal organizational structure affects the decision making (task factor) process through helping the

managers in the organization to assess if the decision's effects will extend to other members of the organization and society, to recognize the significance of the choice and the potential for personal growth, to believe in their own ability to overcome challenges, and to employ the most effective tactics. Additionally, the horizontal structure can assist decision-makers in evaluating the benefits of their choices, processing information about the matter at hand, identifying the factors that influence their choices, producing emotions that will aid in decision-making, and recalling previously used decision-making techniques.

The results of this study supported the literature (Rahman, & de Feis, 2009; Power, 2002; Priem, Rasheed, & Kotulic, 1995) and found that there is a positive and significant relationship between horizontal organizational structure and decision making process (subject factor) where $p < 0.05$.

By taking the context factor and depending on the literature the horizontal organizational structure affects the decision making (context factor) process by assisting the management of the firm in taking into consideration the objectives of the business, making choices independently, listening to others' viewpoints regarding the decision, and assessing if the decision's implications are socially acceptable and in accordance with social norms. Additionally, the horizontal organizational structure assists any organization's leaders in determining whether socio-political ideologies influence decisions, discovering the relationship between workplace policies and personal interests, adhering to legal requirements, and avoiding interpersonal conflicts.

The results of this study supported the literature (Rahman, & de Feis, 2009; Torsteinsen, 2012; Zhang, Zhao, & 2014) and found that there is a positive and significant relationship between horizontal organizational structure and decision-making process (context factor) where $p < 0.05$.

The results of this thesis also showed that is a positive and significant correlation between horizontal organizational structure and decision making process (task, subject and context) at level of 0.01 and the correlation value (.833) between horizontal structure and the decision making process (task factor) is the strongest. Furthermore, the results of the study showed that demographic variables like age, gender, education were distributed normally, and their variances were

homogeneously distributed (Levene test: $p > 0,05$) and showed that there are no differences between the decision making factors (task, subject and context) according to the demographic variables like age, gender, education ...etc.

Based on these results:

Relationship	p	Result
horizontal organizational structure- task factor	.000	H1 Supported
horizontal organizational structure- subject factor	.000	H2 Supported
horizontal organizational structure- context factor	.000	H3 Supported
decision making factors- demographic variables	.000	H4 not Supported

Based on the findings of this study, it is possible to conclude that the traditional management structure is becoming incapable of keeping up with changing market realities: old theories and practices no longer provide the necessary support and assistance for decision-making in a world of rapid change, complexity, and uncertainty. As a result, the transition to a new management paradigm is accelerated, with the management role being recast significantly to match changing conditions. Companies that want to grow and be leaders in their sectors must embrace a new management style that accelerates transformation. In contrast, a horizontally organized organization must guarantee that each manager's sphere of influence does not become too vast, preventing them from properly managing their immediate employees.

Other frequent results include increased salary and administrative costs for the various leadership layers, insufficient upward information, more dysfunctional disagreements, and poor staff cooperation. The additional managerial expenditure reduces net income and cash flow. Sharp drops in income during financial downturns can result in adverse cash flow, affecting decision-making and necessitating significant restructuring. Because the compensation package for the ousted managers and their support staff may increase downsizing costs. By controlling overhead expenditures, horizontal enterprises may readily react to shifting market conditions and emerge stronger when conditions improve.

Employees at the Missan oil company in Iraq believe that top managers can be more productive in a horizontal structure since decisions can be taken and carried out more swiftly, a horizontal organization decisions are made collectively

where everyone gets a chance to express their views and opinions, moreover, they believe that their company gather as much information as possible about the decision, try to discover the key information about the decision, review decision strategies which taken in the past and try to determine whether the consequences of the decision are socially acceptable.

The present thesis confirms the importance of adapting the horizontal organizational structure in organizations to make effective decisions by focusing on the task factor, especially in Iraq's oil sector. According to studies, horizontal organizational structure makes decision-making easier and more acceptable among employees.

Horizontal organizational structures have a short chain of command and a wide span of control for managers. This research highlights the importance of horizontal organizational structure in evaluating the choice's complexity, identifying information gaps, evaluating the benefits of decision makers' choices, processing information about the matter at hand, identifying the factors that influence decision makers' choices, and listening to others' viewpoints regarding the decision.

Based on the analysis of test results related to hypotheses the horizontal organizational structure affects positively on the three factors of decision making process (task, subject, context).

Based on the literature review and the results that have obtained in this thesis many recommendations can be given as follows:

Managers in organizations must involve employees in decision-making, and they must collect information accurately and evaluate it in light of the organization's ability and resources to make the right decision, which will positively affect the employees and push them to work efficiently and effectively.

Also, managers must simplify work procedures to increase agility and reduce organizational levels, which contributes to reducing the cost of evaluating alternatives and support decision making process.

Expanding the testing parameters by using a different value or different functions with the same values to incorporate additional suitable analytic

approaches to evaluate differences between the variables in the study is a recommendation for future research.

In addition, this research looked at groups with a variety of goals (the employees in the Missan oil company in Iraq). Similarly, only one industry was included in this study. Future studies should focus on evaluating for-profit and non-profit companies separately and focus on many industries to generalize the results.

Future studies should also look at expanding the research model to different regional populations. The scope of this study was limited to organization based in Baghdad, Iraq. Whether the study model is applied to other geographical places, it may be possible to find out if there are any extra impacts. It is suggested that this research be carried out in various regions of Iraq, as well as in various nations throughout the world.

The data for this research study was gained by convenience sampling. As previously stated, this data-gathering approach may have altered the survey respondents' breadth. As a result, it is suggested that this study model be evaluated using data gathered in various ways.

The results of this thesis showed that the demographic factors such as gender, age, education level, department and so on have no effect in the extent of decision-making factors (task, subject, and context), so many other studies should be done to generalize these results.

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APPENDIX A

QUESTIONNAIRE

Declaration

Dear Sir / Madam

Dear respondents I am student of business administration. As part of my master thesis I am working on a questionnaire on the impact of horizontal organizational structure on the decision-making process: An empirical study on the Missan oil company in Iraq. All responses given by you will be used for only academic purposes and your personal information will be kept confidential. Participation in this research is completely voluntary. You have the right not to participate in the research or to withdraw from the research at any time after participating.

PARTA

1. Your Gender

- a) Male []
- b) Female []

2. Your Education

- a) Less than College []
- b) College []
- c) Bachelor degrees []
- d) Postgraduate degrees []

3. What is your age []

4. Your Working place

- a) Human resource management []
- b) Production []
- c) Research and development []
- d) Quality department []
- e) Financial []
- f) Sales and marketing []
- g) logistic []
- h) service department (cleaning, security) []

5. Your Monthly Income []

6. Structure Type in Your Company

- a) Horizontal []
- b) Hierarchical []

7. Your Company Type

- a) local []
- b) foreign []
- c) mutual []

8. Number of Managers of These Levels In Your Company

- a) Top-Level Managers []
- b) Middle Manager []
- c) First-Line Managers []
- d) Team Leaders []

9. Leadership Style in Your Company

- a) Authoritarian Leadership.
- b) Participative Leadership.
- c) Delegate Leadership.
- d) Transactional Leadership.
- e) Transformational Leadership.

PART B

(Please choose as appropriate)

	STATEMENT	SCALE				
		Absolutely I disagree (1)	I disagree (2)	I am undecided (3)	I agree (4)	Absolutely I agree (5)
	HORIZONTAL ORGANIZATIONAL STRUCTURE					
1	I think in a horizontal organization any employee can feel that he has more direct influence on the company.					
2	I think in a horizontal organization top managers can generally be much more effective.					
3	I think that decisions can often be made and carried out more quickly in horizontal structures.					
4	I think that the employees in horizontal organizations tend to be more adaptable in changing or unique circumstances.					
5	I think in horizontal organization decisions are made collectively where everyone gets a chance to express their views and opinions					
6	I think that open communication and collaboration are encouraged in companies with horizontal organizational structures					
7	I think that horizontal organizational structures can more easily communicate with employees at all levels.					
8	I think that horizontal organizational structures empower managers to help the company reach those goals					
	DECISION-MAKING PROCESS					

	Task factor					
9	I think that our company study the degree of difficulty of the decision					
10	I think that our company organize the action sequence if the decision is complex					
11	I think that our company gather as much information as possible about the decision					
12	I think that our company try to discover the key information about the decision					
13	I think that our company analyze whether the goals interfere with each other					
14	I think that our company choose the appropriate actions for the decision					
15	I think that our company try to foresee the consequences of the decision					
16	I think that our company determine whether the consequences have long-term effects					
17	I think that our company accept responsibility for the decision					
	subject factor					
18	I think that our company review the gathered information about the decision					
19	I think that our company evaluate the need to make the decision					
20	I think that our company identify the factors that affect the decision					
21	I think that our company review decision strategies which taken in the past					
22	I think that our company motivate the team to make decision					
23	I think that our company help team to overcome moments of fear					
24	I think that our company try to control the reaction of the decision					
	context factor					

25	I think that our company try to avoid any conflict with others					
26	I think that our company adapt with the change of the environment					
27	I think that our company listen to other people's opinions about the decision					
28	I think that our company try to determine whether the consequences of the decision are socially acceptable					
29	I think that our company try to determine whether the decision respects social rules					
30	I think that our company try to discover the relation between work rules and personal interests					