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# **Research Article**

# STRUCTURAL CONFIGURATIONS FROM ORGANIZATIONAL CHANGE. DESCRIPTIVE ANALYSIS IN THE AGRICULTURAL MANUFACTURING COMPANY

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#### **ABSTRACT**

Organizations go through different transformations throughout their development, making this process a rich source of knowledge that requires an analysis of context, activity, size, technology, among other determining factors for organizational development. This research has the purpose of identifying the structural changes to study the importance that the history of the company has in the transformations that it has adopted to face the demands of the market. The study focuses on the agricultural manufacturing company. A qualitative research approach has been adopted under an inductive method to arrive at a construction of reality based on the experience of the members of the organization applying an analysis of research variables with data triangulation. The results show how various structural transitions have taken place from events that have changed the structure of the organization.

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# INTRODUCTION

Change is an unavoidable aspect in organizational life, which should be used by the organization to solve problems, learn from experience, restructure shared perceptions, adapt to changes in the environment, improve performance and influence the future changes (Cummings and Worley, 2009).

Organizations change, in this regard there are several questions that are important to clarify, how do organizations change? What changes in them? and why do they change? All these questions are mentioned, since an organization is immersed a lot of elements that have to be studied through different perspectives. For the purpose of this study, special attention is focused on the process of change that occurs in the forms of organization and work structures that companies acquire when they have changed.

The structural dimensions of formalization, specialization, hierarchy of authority, centralization, professionalism and personal reasons, as well as the contextual dimensions of size, organizational technology, environment, goals and strategy and culture provide labels to measure and analyze organizations. Such dimensions vary greatly from one organization to another (Daft, 2011).

The change becomes a subject that has been studied by many authors, since this has become a constant within the dynamics of all organizations; the voracious markets, volatile changes and new policies have brought with them, new methods of work, which have developed through more robust and complex structures, which are the result of the changes that have arisen in organizations.

Each organization has gone through a very particular path, each one has developed characteristics that allow generating very specific contributions. Manufacturing represents an activity of great relevance for the contribution of the country's gross domestic product, this has been studied in most cases in aspects related to the production process, leaving aside the study of the organizational area.

Agricultural manufacturing in the state of Sinaloa, is one of the main production areas, it is convenient to understand how the opportunity has been taken to serve producers both in the state and outside, in the development of agricultural machinery, which is a tool that helps to enhance the cultivation and harvest of various foods.

In this sense, the purpose of the research is oriented to an empirical approach that responds to the following question: What are the structural configurations that the agricultural manufacturing company has adopted from the processes of

organizational change that it has had?, for which It has been established as a research objective to analyze the structural shapes and configurations that the agricultural construction company has adopted in its processes of organizational change.

# Theoretical Reference

#### Organizational change

For the approach and study of organizational change different currents and theories have been developed, which provide different approaches and procedures for change in organizations. Hernández, *et al.* (2011) indicate that organizations are obliged to develop in an environment characterized by constant changes, favorable or unfavorable, or that can not be modified. Therefore, the change must be planned, which means preparing the organization, or most of it, to adapt to significant transformations of direction.

Robbins and Judge (2013) have identified that the change occurs from the following situations: competition; the development of new products that are introduced in the market in a short time; social trends; Consumers who were previously strangers to each other now concur and share information; social policy, as well as a significant number of financial crises that have affected world markets.

Some models to study the change come from the proposals of Kotter (2004) in which the change is adapted to the needs of each organization from the intervention of an agent. Robbins and Judge (2013) propose the three-stage model: unfreezing the status quo, moving toward the desired final state, and refreezing the new one for change to make it permanent. There is also the model of the eight steps

Organizational change is a process; that is, it is not an end, but a way. The main events in the process are: perceiving the errors to correct them, planning and taking action to change the problematic donations, evaluate the effects of the actions, make adjustments as needed and repeat the sequence (Hernández *et al.*, 2011).

Attempting to master the process of change involves accepting the challenges inherent in the complexity of organizational phenomena. The change in modern organizations is the result of the interaction of multiple human and structural factors that are manifested, sometimes, through the conscious and rational action of groups or individuals that try to impact reality and produce a determined effect in it, while in others, appears unexpectedly due to external conditions or internal conflicts to which little or nothing can be done to control them (Montaño, 2004).

For Mintzberg & Westley (1992) the change in an organization can take different edges, presenting itself at a more general or specific level, that is, focusing on two basic spheres: composition or structure of the organization and corporate strategy. In general, the change in an organization can be described as: revolutionary, gradual, focused and isolated; within the approaches to organizational change: project planning; visionary leadership and inductive learning.

#### The Organizational Structure

The organizational structure represents an integral description of the functioning of the organization, explains the structures that intervene in the execution of the activities, as well as the mechanisms and / or ways through which all the actions to be performed are articulated. The analysis of the structure is framed within the theory of contingency, which arises to show that there is no single form of structuring (Marín, 2012).

The ability of an organization to structure and restructure itself to adapt to changing internal and external conditions is important to maximize organizational performance. Unlike other capacities, the structuring and restructuring of an organization does not happen constantly, but there are always adaptations of the structure.

By organizational structure is meant the ability of an organization is to divide the work and assign roles and responsibilities to people and groups of the organization, as well as the process by which the organization tries to coordinate their work and their groups. It also refers to the relative relationships between the work divisions. (Lusthaus *et al.*, 2002).

Hitt (2006) explains that the organizational structure is defined as the sum of the ways in which an organization divides its work into different activities and then coordinates them. Often the organizational structure is referred to as an organization chart, however, the organizational charts are the graphic illustration of the relationships between the units, as well as the lines of authority between supervisors and subordinates.

The organizational structure gives organizations order and cohesion in both activities and work groups, it is important to emphasize that the organization chart is part of the structure, expresses the graphic components, however, to be able to study holistically The organization and its activities require the understanding of different concepts that provide a broader analysis of everything that is done within a complex entity such as an organization (Hall, 1996).

The contribution made by Henry Mintzberg (1979) establishes five basic parts in any organization. In each of these, very specific activities are developed, through which limits are established between the work of the company's personnel. These five parts are: the operations core, the strategic apex, the middle line, the technostructure and the support staff.

The organizations in their dynamics are surrounded by a series of elements, circumstances and changes to which they must react in order to remain in the market and / or continue with their activities. The development of strategies and design parameters are based on the analysis of contingency factors, these factors concern different areas of the organization: structure, size, age, technology and power.

#### METHODOLOGY

With the adoption of theoretical approaches to the construction of this research, such as the structural configurations proposed by Mintzberg (1988) and the change by Mintzberg and Westley (1992), a qualitative methodological design was established because the objectives seek to analyze very particular characteristics. That cannot be defined by certain patterns.

Hernández-Sampieri et al. (2010) explain that in the qualitative approach the investigative action moves dynamically in both directions: between the facts and their interpretation, and is a process rather "circular" and not always the sequence is the same, varies according to each study in particular.

This research is of the type applied to focus on the analysis and study of a situation faced by a particular organization, where an empirical intervention is carried out whose premise is to identify the structural configurations that have been derived from the changes in the agro-industrial organization. For Cegarra (2011) applied research includes the set of activities that aim to discover or apply new knowledge, which can be made in products and in new usable processes.

A descriptive-explanatory-type study was established (Gómez, 2006), seeking to specify properties, characteristics and important aspects derived from the processes of change and their relation with the structural configuration

The investigation of the data was done under an inductive method, where initially the most elementary events are separated to examine them individually, they are observed in relation to similar phenomena, to reach conclusions (Rodriguez, 2005).

The research is a case study, as pointed out by Sautu (2003), it is centered on a particular organization and phenomenon, it has a high descriptive content and also allows explanations to be addressed in terms of how the events happen.

To obtain and collect data, and according to the methodological approach, the following techniques were used: interview, document analysis and observation

In qualitative research, it has greater richness, amplitude and depth in the data, since they come from different actors in the process, from different sources and by using a greater variety of data collection methods (Hernández et al., 2010). Given the use of diverse data collection techniques, triangulation of the data is applied, focusing on analyzing the information provided by each instrument through the verification of the data in the three specified techniques.

Table 1 Case study design

Table I Case study design	
Orientation	
Thematic core:	Structural configurations adopted by the agricultural manufacturing company based on organizational change.
Mathadalagiaal	Qualitative case study in the company JAR AGRÍCOLA
Methodological approach:	Construction of reality based on the experience of the
	members of the organization Analysis of research variables with data triangulation
Purpose:	Identification of organizational features and structural profile
Storge of Design	

#### Stages of Design:

- 1. Analyze the specific context of the organization (production of agricultural machinery and agroindustrial sector - review of documents, statistics, interview)
- 2. Perform Diagnosis on the characteristics and essential dynamics of the organization (interview and observation).
- Identify and build the historical development of the organization (indepth interview)
- Establish the basic processes of change (interview)
- Perform a synchronous process of analysis with a structural approach to identify the milestones of the organization (triangulation) Techniques

systems, actors Semi-structured interview with personnel of the operational nucleus. • In-depth interview with the founder of the organization: for the

· Semistructured interview with directors: to obtain information about the

organizational aspects, parts of the organization, functions, processes,

- reconstruction of the trajectory and evolution of the organization Documents: reports, reports, projections, organization manuals.

Observation: situations, daily social interaction

# Source: Self made RESULTS

JAR is a company with great positioning in the agricultural sector. It started its operations informally in 1976 as a small production workshop where the owner and two people started with the production of simple agricultural equipment.

The legal constitution was achieved in 1978, for this moment the hiring of more workers was increased. For 1983, the acquisition of the land where the production plant and headquarters are located today is achieved.

With the increase of the size of the company for 1986, it is formed as a family company, when the owner's children are integrated into the organization. Currently, JAR has 150 workers and has managed to grow gradually and firmly, developing a large client base in Mexico and abroad. In the same way, distributions of Reinke brand irrigation equipment, Kubota tractors, Kimball machinery and Bajío seeders have been obtained.

According to Mintzberg & Westley (1992) the change occurs in two basic areas, in the composition or structure of the organization and in corporate strategy. The objective of the change is the composition or structure of the organization, at this level, you can change the structure, the jobs, and the development of new products and businesses.

In JAR as part of the growth dynamics, the organizational structure has been changing over time, creating and formalizing new jobs, which have materialized the various processes of the organization.

The change in the organizational structure is based on the development of new products and services, derived from the increase in customers and the positioning of the brand. As a result of this increase in production and greater diversification in the product line, departmentalization was required in order to provide order, and therefore, new jobs were created, with specific functions.

To achieve this change, the company took the approach of visionary leadership, as it is informal and led by a single leader who is usually the general manager. In Agricultural Equipment JAR, the change was driven by the owner and general manager of the company, centralizing the decision making, and maintaining a close relationship in all processes of the organization, to be able to fulfill the mission, which at a certain time can to be formalized or not, but nevertheless, they seek to develop the tactics to be able to achieve it. Given the informality of this approach, the vision can develop in an unintended way.

The change typically takes the form of episodes: revolution and revitalization (Mintzberg & Westley, 1992). In the stage of revolution, the changes are more resounding and are presented

quickly and directed by a central source. On the other hand, there is revitalization, with gradual changes, in small dimensions and in a more cooperative way. For Agricultural Equipment JAR, the episode of revitalization presents the first twenty years of the organization, where changes were presented gradually and in small dimensions, which provided stability for the dynamics of the company through the cooperation of all members. When the company is about 25 years old, the changes were presented quickly in the revolution stage, with growth through financing sources, branch creation, strategic alliances and expansion in various places in Mexico, although this change It was headed and chaired by the owner, the cooperation of the different members and departments played a role of great importance. All these changes led to JAR, to be the great company that it is today.

Currently JAR is in the stage of stability (Mintzberg & Westley, 1992), since it has a structure and defined positions, but it does not mean it is static, changes are experienced, which do not imply a redesign in strategic positions, we work under a style of direct line management and the changes are experienced in a concrete way and in a slower way.

For JAR like all organizations, the change has come to affect the transformation of different processes and their composition. The structural configurations that are adopted, are according to the contingent factors and dynamics of the organization itself. According to the information gathered, JAR has presented the following configurations according to their contingency factors and their history:

### Simple structure: 1976-1993

The age and size for the definition of the simple structure was presented because it was a small company of recent creation, its technical system was simple non-regulatory, with lack of systems and procedures, the environment for this new organization was simple, since lacked competition due to the market's lack of attention to this type of turn. The power was totally focused on the owner of the company.

The main coordination mechanism was direct supervision, since the owner had a close relationship with all the processes, both in the production and administrative area.

In the same way, the fundamental part of the organization was the strategic apex, having centralized decision-making, all work towards the outside focused on the owner, and lacked formality.

The specialization, was very little, because all the activities were carried out by all the personnel and there was no indoctrination. Also, production was not within a formal planning process.

The strategic apex and the operations core were the parts of the structure that the organization had, since it lacked support staff, middle line and technostructure, and therefore the flows of authority and work were totally vertical.

# Simple bureaucracy: 1993-1997

Starting in 1993 as a result of the gradual growth presented by the JAR, it adopted a hybrid configuration, that is, a simple bureaucracy. Despite already having more than 10 years of life, the organization had not yet developed a formalized and regulated technical system, although there were processes for the construction of agricultural machinery, they were not defined in a concrete and clear way. On the other hand, the environment remained stable and simple; however, new companies entered the same line. The power continued to focus on the owner of the organization, however, with the entry of family members to the dynamics of the company, began the formation of a small middle line.

Its main coordination mechanism was direct supervision, because the owner continued as the main actor in the execution and supervision of the activities, however, the normalization of work began to occupy a place when establishing processes for the construction of equipment.

Likewise, the fundamental part of the organization continued to be the strategic apex, despite the initiation of the formation of the middle line did not represent a relevant part of the company, in turn continued without technostructure and support staff.

In relation to the specialization of the posts, the operative core started slowly, with the specialization processes. In the same way, preparation and indoctrination were scarce. The size of the unit began to increase in size, centralization continued at the strategic apex, and the flow of authority and decision making was totally downward.

# Machine Bureaucracy: 1997- Present

With various factors such as hypercompetition, globalization and constant innovation in the area of research and development, the organization was transformed by acquiring a new configuration.

Currently, the company JAR is an organization with an age of 40 years and is classified as a large organization, because it has more than 150 employees. Its technical system became a regulated start, however, today, it is totally sophisticated and automated through the mass production of all agricultural equipment.

Its environment, is complex is given by the entry of new companies that are dedicated to the same turn, and in the same way caused by the climate changes presented in recent years that have brought with them a lot of vicissitudes of economic nature for the organization.

In terms of power, it is still focused on the strategic apex, now composed of the heads of the departments (administration, production and accounting), and the owner who serves as general manager.

The main coordination mechanism is the standardization of work, clear example, is the production process of the machinery, where manuals for the manufacture of agricultural equipment are available. The fundamental parts of the organization are the strategic apex that is the main actor for the development of strategies and the technostructure that carries out the supervision work for the normalization of the work, confirming that the agricultural machinery complies with the specifications set out in the manuals.

The middle line consists of positions such as credit and collection, sales manager, production supervisor and an

accountant. All function as a bridge between the operational core and the strategic apex.

In relation to the support staff, it contributes to the support of different operational and administrative activities, the secretary, the sales staff, warehouse manager, accounting assistant and administrative assistant are located.

The specialization of the positions is both horizontally and vertically, indoctrination occurs only gradually within the production area, so it can be considered scarce. There is a high level of planning, carried out annually by the strategic apex articulating effort with the other parts of the organization.

There is a limited or restricted decentralization in certain activities. The flow of authority remains downward, however, it is important for the entire structure. Also, the flow of decision making remains downward Finally, in relation to the flow of communication is important for the administration, as well as for all members of the organization, so it is encouraged to be descending and ascending.

# **DISCUSSION**

The structural configurations are the construct of the ideas contributed by Henry Mintzberg (1979), where five basic forms are developed: simple structure, machine bureaucracy, professional bureaucracy, divisional form and adhocracy; these configurations are part of the usual dynamics of all organizations at any given time, they change over time, seeking to satisfy the requirements demanded by the environment.

Over time, all organizations have been acquiring new features, seeking to develop new adaptation processes, which involve the creation of new methods, tactics and strategies. The new markets equipped with hypercompetition, require that the companies attend immediately or gradually according to the characteristics of the company itself, this type of factors to which they are exposed, and thus be able to remain within the market in which they operate.

As part of the processes of change raised in the history of JAR, the way in which the configurations have been transited, is reflected in the external factors and response capacity that the organization has presented since its creation until today.

At the beginning of the organization, the structural configuration presented was a simple structure. The transition caused by the processes of changes was presented by increasing the formalization of production processes and the development of planning.

According to the episodes of change of Mintzberg & Westley (1992), the stage of development constituted the pillars for the organization; the continuous changes defined very particular characteristics for its dynamics. In this course, the strategic positions as the strategic apex were formed during the simple structure, occupied only by the owner of the organization. The hiring of personnel occurred gradually in relation to the increase in production caused by market demand. Planning was lacking due to the nature of a newly created company.

Staying continuously in the development stage, the organization made its first transition from a simple structure to a simple bureaucracy, caused by the implementation of new processes to establish parameters for the development of

agricultural machinery, however, they were not formalized. At the same time, it began with the increase in personnel, reflected with an average line and growth in the operating core. Planning began to occupy an important place in the operation of the company.

The second transition is inserted within the stability stage, going from the simple bureaucracy to the machine bureaucracy. It began with the definition of general aspects for the organization, obtaining the planning a place of great importance, focusing the sphere of change towards the area of strategy. The formal definition of aspects such as mission, vision, organizational values, and elaboration of production manuals contributed to an effective transition.

A structure is adopted in the organization through the definition of positions within the hierarchy, more clearly representing the parts of the organization.

In the same way, the normalization of the production process played a very important role for the transition, manuals were prepared where the elaboration of the agricultural equipment is indicated in a regulated and systematized way.

So also the conception of an organizational culture has represented an element of great importance for the sense of belonging and well-being for all the workers of the company.

Currently the organization remains with a machine bureaucracy, gradually acquiring traits of other configurations, however, it continues with preponderant features of the configuration itself.

The changes in the organization are presented as a constant; these are coordinated and elaborated by the strategic apex, so that they descend in a decent way for all parts of the organization.

# **CONCLUSIONS**

The aforementioned events have triggered changes in the structural configurations, the acquisition of processes, market expansion and other factors that cause new requirements to be met, and therefore the organization changes and adapts.

As a consequence in the processes of change, that the company JAR has had and modifications in its structural configuration have been presented. In its beginnings it was configured as a simple structur. The first transition from simple structure to simple bureaucracy is presented during the development stage with the implementation and formalization of processes. The second transition is inserted in the stability stage, where the transition from simple bureaucracy to machine bureaucracy was made, where formalization was high, and a sophisticated technical system.

These processes have been presented, according to the needs that the organization has required to remain in the market, so that its response capacity has come to directly affect the different organizational elements that define it. As Ronco & Lladó (2000) point out, understanding and assuming change is something natural in essence. Sometimes major organizational changes may begin at the highest level of management, in which case the directors, managers and / or staff will take decisions responsible for implementing certain changes that affect their unit or area of work.

The structural configurations of Mintzberg (1979) are a great model for the study and analysis of organizations; this due to being able to understand different elements through the particular knowledge of the parts of the organization, understanding that each assumes a fundamental role for the organizations.

On the other hand, as mentioned, organizations change as part of their nature, but in order to understand this fact, it is very useful to use the theme of change proposed by Mintzberg & Westley (1992), which describes spheres, episodes and stages of the change.

This study has allowed a more concrete analysis of the transitions, that is, the change from one configuration to another in relation to the processes of change, understanding at what stage of the change this movement was presented, specifically in the agricultural manufacturing company, which represents a great source of knowledge, which provides greater understanding of why changes are presented, and as an organization that has been in the market for 40 years, such as JAR, despite going through a large number of changes from its conception until today, remains a competitive company with great potential to continue growing in the long term. In terms of research, it is now necessary to delve into the relationship of change, structure and permanence of the organization.

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