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# A Study of the Effect of Organizational Structure on Employee Satisfaction in Youth-Serving Organizations in the San Francisco Bay Area

Kirah J. Caminos  
*University of San Francisco*

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A Study of the Effect of Organizational Structure on Employee Satisfaction in Youth-  
Serving Organizations in the San Francisco Bay Area

A THESIS SUBMITTED

By

Kirah J. Caminos

In Partial Fulfillment of the Requirements

For the Degree of

Master of

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The University of San Francisco

May 5, 2004

*A Study of the Effect of Organizational Structure on Employee Satisfaction in Youth-Serving Organizations in the San Francisco Bay Area*

This Thesis written by

Kirah J. Caminos

This Thesis written under the guidelines of the Faculty Advisory Committee and approved by all its members, has been accepted in partial fulfillment of the requirements for the degree of:

Master of Nonprofit Administration

At the

University of San Francisco

Research Committee

Research Committee:

Willie / E  
Chairperson

Sandra Braric  
Second Reader

Michael G. Bell 11 June 2004  
Program Director Date

Thomas ALB 6/16/04  
Dean Date

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## ABSTRACT

The purpose of this study was to examine the respective effects of mechanistic and organic organizational structures on employee satisfaction. Employees from four youth-serving nonprofit organizations participated. The respondents were primarily direct service and administrative professionals in the field, but they also included interns and executive staff. It was hypothesized that satisfaction would be positively correlated with organic organizational structure and negatively correlated with mechanistic organizational structure.

The measuring instrument was a survey questionnaire created for this study. The data were responses to 50 Likert-based questions that assessed three variables: mechanistic structure, organic structure, and employee satisfaction.

The research hypothesis was supported, the results indicating a significant positive correlation between employee satisfaction and organic structure, as well as a significant negative correlation between employee satisfaction and mechanistic structure. All correlations were significant at the 0.001 and accounted for 43% to 48% of the variance. Correlations were significant even with attitudes towards agency training, respect for superior's knowledge and job stress partialled out. The findings suggested that youth-serving organizations that are more organic in structure have more satisfied employees.

## VITA AUCTORIS

Name: Kirah Juliette Caminos

Date of Birth: May 9, 1972

High School: Bayard Rustin, High School for the Humanities  
New York, New York

Graduated: 1990

Baccalaureate Degree: Bachelor of Arts in Comparative Literature

College: Brandeis University

Graduated: 1994

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## INTRODUCTION

Finding, hiring, and retaining qualified staff can be both a critical and confounding process for nonprofits and for-profits alike. Even more challenging, however, can be determining what accounts for a satisfied employee. Research and popular opinion have put forward myriad factors supposedly affecting employee satisfaction, such as benefits, compensation, promotions, feelings of contributing to the organization, empowerment, relationships with co-workers and superiors, communication, stress, decision-making styles, job duties, recognition, professional training, and development on the job. While each element carries its own import, the packaging and implementation of these factors can bear directly on employee satisfaction. Individually, organizations should address these issues with relative ease. Put them all together, however, and the complexities may seem endless. The responsibility of combining these elements in the workplace could, in fact, fall squarely on the shoulders of the organizational structure.

In order to begin asking to what extent organizational structure impacts employee satisfaction, it is important to start by defining what, in fact, organizational structure is. Organizational theory has only been studied in depth since the 20<sup>th</sup> century. With the boom of national industries and institutions, businesses were scrambling to streamline their operations and increase productivity, in order to beat out the competition. With the birth of “scientific management,” the organized attempt to find guidance for the best way to run an organization had begun, with theories ranging from classical concepts to more neoclassical themes. Organizational theories encompassed everything from human resource theory and modern structural organization theories to organizational economics

and sense-making applications, offering an abundance of approaches to enable companies to operate more optimally. Today, hundreds of these theories exist, with leaders in the field like Peter Drucker and Rosabeth Kanter-Moss paving the way with more contemporary twists on these timely issues. While these theories try to both explain and predict how organizations and their employees will behave, there is little on the subject of the relationship between organizational structure and how it affects employee satisfaction.

There are some distinctions, though, that offer conceptual approaches to organizational structure. Burns and Stalker (2001), in “The Management of Innovation,” expressed the belief that there were two main theories that characterized organizational structure: mechanistic and organic systems. A mechanistic management system is characterized by a more hierarchic structure of control and authority and a vertical style of communication, and is commonly referred to as a “closed,” or “vertical,” organizational style. The operations and general working environment tend to be governed primarily by senior supervisors and management. Mechanistic systems promote stability and simultaneously tend to promote well-defined parameters with regards to job roles and responsibilities.

An organic system, on the other hand, is characterized more by a network structure of control, authority, and communication. More lateral in format than its mechanistic counterpart, it has a looser structure in terms of decision-making, information-sharing, and overall job functions among employees. Organic systems are often referred to as “open,” or “flat.” In an organic system, there is a continual adjustment and redefinition of job functions.

The following represents an overview of both perspectives:

*Table 1*  
*The Mechanistic and Organic Perspectives\**

<i>Mechanistic Perspective</i>	<i>Organic Perspective</i>
<i>Context</i> Stable and predictable environment, early stages of the field's development	<i>Context</i> Dynamic and uncertain environment, advanced stages of the field's development
<i>Key influences</i> Newtonian mechanics, logic and ideas prevailing in the behavioral and economic disciplines at the field's formation	<i>Key influences</i> New ideas in natural and social sciences, organic developments in strategy (strategy process research, evolutionary and process models, interactive and integrative research) and selected key mechanistic ideas

*Unifying Epistemological Assumptions*

<i>Discrete time</i> Synchronic-a single occurrence of givens at a point in time	<i>Incessant time</i> Diachronic-focus on sequences, history, evolution and the creation of new entities
<i>Directional flow</i> Linear, deterministic and sequential view of events and causality	<i>Interactive flow</i> Reciprocal causation, interaction and feedback
<i>Differentiated constructs</i> Narrowly defined and poorly integrated constructs	<i>Integrated constructs</i> Integration within and across constructs, levels and models

\* Adapted: (Farjoun, 2002, p.567)

How then do these structural differences impact employee satisfaction? Framing this question to the nonprofit world is even more challenging, as nonprofits typically have significantly less time and fewer resources to extend toward researching, assessing, or simply addressing this fundamental issue. Often, the basic question of what accounts for

a generally satisfied employee rarely surfaces as a high priority on many non-profit agency agendas.

There are several possibilities one could focus on to help deconstruct the topic. One option could be to analyze organizational charts, if they do in fact exist in the organization. Another choice could be to conduct research through interviewing staff and stakeholders at its various levels. Still another avenue could be to inquire about an organization's knowledge, training, and available research on the topic. Additionally, looking at turnover and retention rates could be of great use. How and when the questions are posed will certainly affect the quality and results of data retrieved. How relevant the topics of organizational structure and employee satisfaction are to both employers and employees are also of significance. If organizational structure and employee satisfaction are framed in terms of an organization's success, longevity, mission, morale, and overall reason for serving its community and the community-at-large, however, perhaps nonprofits may consider this link to be useful, as the very programs the agency supports are likely to suffer the repercussions of an unsatisfied employee in terms of consequences like burnout, reduced quality and slower delivery of services, and loss of overall organizational effectiveness.

Implicit in organizational structure is how and why employees, from the executive director or president to program directors and support staff, communicate, make decisions, interact and, in general, work towards achieving agency goals and successfully serving stakeholders. Perception of how "open" or "closed," "flat" or "vertical," or as discussed earlier, organic versus mechanistic, respectively, the structure of an agency is can play a considerable role with regards to the variables mentioned above. What might

these systems look like in practice? A “closed,” or mechanistic, system is analogous to the scalar chain of command in the U.S. Army, where the chain of authority is essentially a “one way trip,” running in a single line from top to bottom. In this organizational hierarchy, a basic organizational unit is formed in which one individual is put in charge of another individual (or group of individuals) until all the remaining units can come under a single manager at the strategic apex. An “open,” or organic, system, on the other hand, is one that promotes a different set of boundaries with regards to how individuals interact with one another in an organizational setting. One example might include what Rosabeth Kanter refers to as a “web of support” in which line staff, or direct staff, through senior managers interact in a more circular pattern, as opposed to the essentially vertical structure, as mentioned above in closed systems (cited in Shafritz & Ott, 2001, p. 229).

This “open” system emphasizes a supportive organizational framework or a web of inclusion among employees on a more egalitarian level, with positions in the organization seen as dynamically connected to one another, fostering a sense of empowerment throughout all employee levels.

Certainly, a great deal has been previously postulated about factors affecting job satisfaction and organizational structure separately. But there has not yet been sufficient research on the precise relationship between employee satisfaction and organizational structure in nonprofits, or on the way such knowledge might be applied systematically. By examining the energy and resources involved and the hurdles and challenges the answers might provide, this study attempted not only to understand what accounts for a satisfied employee within nonprofits, and its connection to organizational structure, but

also to gauge *how* one may affect the other and by what variables. Lastly, although this research project focused primarily on youth-serving organizations as the object of study, the value of its outcome and benefits will hopefully extend to other fields within the uniquely diverse Third Sector.



## CHAPTER I: REVIEW OF RELEVANT LITERATURE

The following chapter presents an exploration of the relationship between organizational structure and employee satisfaction. Within organizational structure, attention has been specifically paid to mechanistic and organic structures and to the relationship between each of those structures and employee satisfaction. Using pertinent literature, this chapter will review relevant variables affecting employee satisfaction, organizational structure, and mechanistic and organic structures. The first section deals with employee satisfaction, the second with organizational structure and the third, with mechanistic and organic structures.

### Employee Satisfaction

When analyzing employee satisfaction, it is important to examine why it is of particular relevance and importance to the nonprofit sector. Edwin Locke proposes a strong lens through which to view employee satisfaction by defining it as “the positive emotional state resulting from the appraisal of one’s job or job experiences” (Vinokur-Kaplan, 1996, p. 93). While in both non- and for-profits alike, the question is often, first, how to determine what is at the root of employee satisfaction and how employers can contribute to the satisfaction of their team, the issue can be even more critical with nonprofits. More often than not, given the significantly lower scale of incentives, benefits, and rewards generated within the sector, given the competition from for-profit firms, and given the loosening up of the for-profit sector to emphasize more employee enrichment and involvement, the need for nonprofits to have satisfied staff members can have long-term impact on programs, services, and stakeholders (p. 91). Indeed, it could

be said that even higher levels of employee satisfaction are a must in the light of the limited resources characteristically available to the voluntary sector.

Nonprofit organizations, as well for-profit companies and agencies, typically turn to decades-old principles of management and organization. Maslow (Wood, 1999), in the 1920s, offered one of the respected foundations for determining human motivation with respect to employee satisfaction. Maslow essentially organized basic human needs into a pyramid with five ordered tiers. The pyramid's base consisted of physiological needs, while the apex reflected a desire for self-actualization. In "The Relationship between Connectivity of Remote Workers and Job Satisfaction," Wood stated that these needs could easily be identified in the workplace as employees prioritized the ability to meet survival needs over job security, a sense of belonging to a group, rewards and recognition, and finally the need for challenge and opportunity (p. 10). This pyramidal model profoundly influenced organizational development literature and affected multiple theories and practices. Wood argued, however, that employees had stepped up Maslow's needs hierarchy and now demanded esteem and an environment that bred a sense of affiliation and involvement in their work (p. 12).

Another theory critical to employee satisfaction has been Herzberg's Motivator-Hygiene theory. In the 1960s, Herzberg (Wood, 1999) concluded that factors such as achievement, recognition, stimulating work, and responsibility were motivators, while factors such as company policy, supervision, interpersonal relations, working conditions, and salary were hygiene factors. It was the absence of hygiene factors, he believed, that created job dissatisfaction. Wood stressed, however, with respect to both Herzberg's and

Maslow's theories, that interpersonal relations with superiors had by far replaced achievement as the number one motivator for employees. (p. 11)

Burnout has been proven to be an increasing concern with relation to employee satisfaction. In a study that examined research on job satisfaction in child welfare systems and on factors that influenced a worker's decision to leave a job or stay (cited in Bednar, 2003), it was observed that both job satisfaction and burnout appeared to influence the desire to change fields. A questionnaire testing job satisfaction for use with human service professionals working in the field of child abuse resulted in the identification of six relevant factors very similar to those proposed by Herzberg: self-actualization, achievement support, job-related emotions at work, working conditions, professional self-esteem, and futility/avoidance. Interestingly, participants who expressed a desire to change fields tended to have lower scores on self-actualization, job-related affect, futility/avoidance, and achievement support. The authors determined that strategies to increase job satisfaction must be specifically targeted for workers in particular settings. Additionally, the results indicated the main reasons for discontent to be unsupportive supervisors, lack of training in preparation for the realities of child welfare practice, and inability to transfer to other positions with their existing employer (p. 10).

Participative management can offer another contemporary scope with which to view employee satisfaction. Kim (2002), in "Participative management and job satisfaction," studied the relationship between participative management — a style of management that strives to engage all levels of staff in various arenas of organizational planning and development — and employee satisfaction, concluding that managers' use of a participative management style and employees' perceptions of participative strategic

planning processes accounted for a positive association with job satisfaction. Research further confirmed that effective supervisory communications as a means towards participatory management within strategic planning processes were also positively associated with high levels of job satisfaction. According to Kim, it was the more participatory management practices that could essentially provide the necessary, delicate balance between the involvement of managers and their subordinates in information processing, decision-making, and problem-solving endeavors (p. 231).

Leadership has been assessed as a factor relevant to employee satisfaction. As noted in “Increasing employee productivity, job satisfaction and organizational commitment” (McNeese-Smith, 1996), since the early industrial research of individuals like Herzberg and Likert, authors and researchers had postulated a significant relationship between the leadership of an organization and the job satisfaction of employees, and demonstrated strong correlations between turnover and negative feelings about the job. Also notable was the influence of impact on job productivity of attitude, and how job satisfaction was associated with successfully buffering job stress.

Another way in which organizations can attempt to understand and possibly ensure job satisfaction is to look at the psychology behind work satisfaction. In “Job Sculpting”, (the term referred to an emphasis on the career development of employees), Butler and Waldroop (1999) found that a multitude of talented professionals left their organizations because senior managers did not understand the psychology of work satisfaction, mistakenly assuming that people who excelled at their work were happy in their jobs. Their premise was simple: a demonstration of strong skills in the workplace did not necessarily accurately reflect, or lead to, true job satisfaction. Instead, the authors

postulated that only if the job matched the deeply embedded life interests of employees would employees stay in their positions longer. Helping to build more customized career paths and taking stronger interest in the motivational psychology of employees was a critical key to staff retention, not to mention a way in which to build upon helping individuals connect to their own personal values and belief systems and the organization's mission and ideals.

Tools specifically designed to analyze employee satisfaction in nonprofits have not been adequately researched. However, in the for-profit world, the LMX Theory (Leader-Member Exchange Theory) is a popular vehicle, lending a powerful diagnostic tool for analyzing the relationships between workers and their supervisors in assessing employee satisfaction (Mayfield & Mayfield, 1998). The premise was that workers were more satisfied when they received greater job autonomy, enhanced levels of communication exchange with their superiors, and increased positive feedback (p. 76). Although this study represented a fairly small cross-section of companies, particularly those that were representative of organizations not necessarily much given to major organizational concerns, the LMX process has typically had its most dramatic effect in evaluating worker job satisfaction.

The team management approach is yet another significant factor associated with employee satisfaction. In this approach, the manager is no longer the only one to define roles, assign tasks, establish goals or administer rewards. Instead, a team is formed among managers and the workers. The team then performs these functions, leaving control to be balanced with an understanding of man's feelings, need for acceptance, achievement and autonomy (Mayfield & Mayfield, 1998). It is the atmosphere, which can

also be referred to as “organizational climate,” that management creates that sets the tone in determining employee satisfaction or dissatisfaction.

Employee involvement has also been noted as an effective means of leading towards satisfied employees. In “A Causal Model for Employee Satisfaction,” Eskildsen & Dahlgaard (2000) reported on a survey conducted in 1992 among more than 1000 Human Resource Focus readers, revealing that 46% had rated employee involvement as one of their top three concerns for employee satisfaction. Almost *half* of all participants had felt that being involved in the various aspects of the organization’s development and structure was paramount, strongly intimating involvement as a key indicator of employee satisfaction.

Empowerment has been noted as yet another major factor in affecting employee satisfaction. True empowerment, according to “The Emperor’s New Clothes” (Argyris, 1998) can ultimately lead to not only genuine employee satisfaction but to overall positive organizational change. Argyris posed what he felt to be the rhetorical question, how empowerment could exist on the job when the requirements were pre-determined and the processes controlled. “If someone is always controlling them from the top down, employees won’t feel internally committed,” he noted (p. 110). Suggested improvements included

- examining management inconsistencies with both top-down controls and programs, and trying to empower people and encourage discussion;
- attempting to distinguish between jobs that required internal commitment and those that did not;

- establishing work conditions to increase empowerment in the organization; to discourage individuals from external commitment, encourage them to examine their own behavior;
- factoring values such as morale, satisfaction, and even commitment, into one's human relations policies but not making them the ultimate criteria; and
- helping employees understand the choices they made about their own level of commitment. (pp. 118-119)

By consistently trying to empower employees through involving them in defining work objectives, specifying how to achieve them, and then setting appropriate targets, the organization could strive to successfully achieve a considerably more satisfied employee.

How their colleagues and superiors treat employees at work can be yet another primary indicator of how satisfied an employee is likely to be. In "Pygmalion in Management," Livingston (1988) contended that "the difference between employees who perform well and those who perform poorly is not how they are paid but how they are treated" (p. 71). The ideology behind this philosophy was that all managers could learn how to treat their employees in ways that would lead to mutual expectations of superior performance. This translated into having managers who were more skilled in positively influencing the self-esteem, performance, and overall career satisfaction of their employees.

In summary, the topic of employee satisfaction continues to be of timely relevance for success in both non- and for-profit organizational settings, an issue worthy of continuous, pointed research. Evidently the more basic considerations for employee satisfaction, such as job duties, advancement, status, salary, and job security, are not

sufficient to account for the truly satisfied employee. More complex concerns like the use of more participative, team management styles, employee empowerment, individually tailored career itineraries, on-the-job training, and self-esteem building, can all help achieve the ideal of the satisfied employee.

### Organizational Structure

In “Workplace Attitudes, Experiences and Job Satisfaction of Social Work Administrators in Nonprofit and Public Agencies,” Vinokur-Kaplan (1996) agreed that few studies of employee well-being had looked empirically at whether organizational auspices had an important influence on workplace attitudes and well-being. Finding a connection between these two elements, then, may indeed provide necessary insight as to how nonprofits can improve overall performance. In “Reconsidering Organizational Structure,” Rapert & Wren (1998) made the point that capturing a true snapshot of organizational life was commonly achieved through the study of structure and considered it a necessary object of examination in order to fully understand structural frameworks and processes. The key question then becomes, What is organizational structure, and how, if at all, does it impact employee satisfaction?

To begin, we can perhaps look to several variations of the definition of organizational structure. In “Organizational Identity in Nonprofit Organizations: Strategic and Structural Implications,” organizational structure was defined as the identification of the elements in an organization and the relations between them (Young, 2001, p. 141). Similarly, Shafritz and Ott, in “Classics of Organization Theory” (2001), expressed the view that the structure of an organization was essentially the relatively stable relationships among the positions, groups of positions (units), and work processes that



made up the organization (p. 197). By comparison, organizational structure could also be defined as the pattern of relationships among people that facilitated accomplishment of an organization's tasks (Young, p. 142). In yet another definition, organizational structure was described as the architecture through which parts of the organization interacted with one another (p. 143).

Whatever the range of views over a definition, research has indicated a strong link between structure and effectiveness. In "Relationships between organizational properties and organizational effectiveness in three types of nonprofit human service organization," Schmid (2002) explored the relationship between organizational structure and organizational effectiveness in human service organizations. In an examination of the relationships between organizational structure and such variables as centralization and formalization, Schmid found positive correlations, showing that organizational structure could hold the key toward influencing overall organizational effectiveness.

So which organizational structures are working effectively, and which are not? In "What Holds the Modern Company Together?" Goffee and Jones (1996) claimed that with the current pressures towards disintegration and downsizing, the more traditional mechanisms for integration, such as general hierarchies and control systems, were proving costly and ineffective. They strongly suggested limiting hierarchical differences, for example, by redesigning organizational charts to eliminate layers and ranks and encouraged the minimizing of hierarchical differences by ensuring that "all employees, regardless of rank, receive the same package of benefits, park in the same lot, and get bonuses based on the same formula" (p. 31). Setting out to create an environment that focused on the *community* of the organization could lead to more functional

organizational structures and greater levels of overall organizational effectiveness, such as a higher degree of strategic focus, development of a strong sense of trust within the organization, collegiate loyalty, an enjoyable work environment, creativity and esprit de corps (p. 7).

Full-time employment also factors into employee attitudes towards organizational structure. Part-time employees, in a study of 250 employees in an 80-bed medical rehabilitation hospital, were significantly more favorable in their attitudes regarding organizational structure, policies, reward systems, and overall job satisfaction than were their full-time colleagues (Eberhardt & Shani, 1984). This case study suggested that part-time employment may be a significant variable in terms of employee satisfaction.

Decision-making has been shown to impact organizational structural elements. In “Factors Related to the Organizational Commitment of College and University Auditors,” Colbert & Kwon (2000) found that perceptions on the part of employees at a US Federal mint of their influence in decision-making, another form of power, were positively correlated with their commitment to the organization. The results of this study accentuated the need to be attentive to such perceptions and other organizational characteristics. Specifically, when the organizational commitment of employees with low levels of authority was under consideration, perceptions of the organizational structure were notably related to organizational commitment.

Communication has proven to be an integral part of organizational structure. Communication is a core process that contributes significantly to making organizational members feel they are part of the organization, serving as invaluable vehicles in sharing and articulating organizational purpose, unity, and objectives. The results of a recent

study suggesting that open, more participative organizational structure led to better performance implied that management could provide mechanisms to ensure that there was a continual, free exchange of information between superiors and employees. Employees felt that having access to management and having their opinions and thoughts taken seriously, without fear of negative repercussions, improved overall work effectiveness (Rapert & Wren, 1998).

In summary, organizational structure plays an important role in impacting employee satisfaction. While limited information is currently available on this relationship, employee perceptions of their influence on decision-making, combined with more open and supportive communication climates, clearly lead to more positive general employment perceptions of organizational characteristics. There is also a powerful suggestion that organizations with more open structures that function less on the basis of traditional hierarchies and control systems have higher overall agency effectiveness.

#### Mechanistic and Organic Structures

Often referred to as the “M/O Binary,” mechanistic and organic structures have been a point of focus for decades in organization and management theory since Burns and Stalker first coined the phrases (Boje, 1999). As the founding premises for many prominent businesses, these two approaches are rooted in the machine/organ theory characterized below. Since the 1960s, a great deal of literature on organizational theory has been in the form of a debate between proponents of these models.

Burns and Stalker, in “The Management of Innovation” (2001), described both approaches in detail. Mechanistic management systems were characterized by:

- 1) the abstract nature of each individual task;

- 2) the precise definition of rights and obligations and technical methods attached to each functional role;
- 3) the translation of rights, obligations, and methods into the responsibilities of a functional position;
- 4) a hierarchic structure of control, authority, and communication;
- 5) a tendency for operations and working behavior to be governed by the instructions and decisions issued by superiors; and
- 6) an insistence on loyalty to the organization and obedience to superiors as a condition of membership (pp. 119-120).

On the other hand, an organic system was characterized by:

- 1) the contributive nature of special knowledge and experience to the common task of the concern;
- 2) the realistic nature of the individual task, which was seen as set by the total situation of the concern;
- 3) the adjustment and continual re-definition of individual tasks through interaction with others;
- 4) the shedding of responsibility as a limited field of rights, obligations, and methods;
- 5) the spread of commitment to the concern beyond any technical definition;
- 6) a network structure of control, authority, and communication;
- 7) a lateral rather than a vertical direction of communication through the organization, including communication between people of different rank, thus resembling consultation rather than command; and

- 8) a communication content consisting of information and advice rather than instructions and decisions (p. 121).

Evidence exists to support the premise that organizational structures that are more mechanistic in nature are not nearly as effective as their organic counterparts. Lewis and Fandt (1989), in "Organizational design: implications for managerial decision-making," maintained that mechanistic systems tended to be inflexible, characterized by vertical lines of communication, limited task uncertainty, rigid and closed structures, and high job specialization. Organic systems, on the other hand, tended to be more open and flexible in structure and were characterized by freer lateral and vertical lines of communication, high task uncertainty, and low job specialization (p. 13). Organic design systems also tended to encourage the development and accessibility of horizontally flowing, quality information networks that created a generally more supportive environment. In "Organization control systems for the nineties," Atkinson (1992) argued that the organizational control systems of Canadian corporations had evolved from mechanistic models to more organic forms precisely for these very reasons, with decentralization and employee empowerment at the core (p. 16).

Research from the above-mentioned study further suggested that few organizations operated in stable or well-understood environments, a premise that mechanistic structures primarily functioned on (Atkinson, 1992, p. 17). Organic systems, rather, reflected the belief that success required really tapping the knowledge and skills of all employees, with employee involvement being one of the stronger undercurrents of organizational structure. According to the author, organic systems provided a more accurate reflection of

an organization's need and ability to adapt quickly, effectively, and efficiently in order to survive in a dynamic global market.

Mechanistic systems are increasingly proving to be generally less effective and popular among businesses and organizations, according to "Towards an Organic Perspective on Strategy" by Farjoun and Recanatì (2002). They suggested that the organic perspective provided a basis for a more upgraded, unified, and generally better attuned overall view with which to approach organizational strategy (p. 561). The mechanistic perspective, better suited to a relatively stable and predictable world, as mentioned earlier, could often seem to be at odds with the constantly changing, observed behavior of individuals, firms, and markets.

The mechanistic perspective has also been described as static, linear, and fragmented. Relatively ineffectual with regards to the time continuum, the mechanistic perspective focuses on a single occurrence of a set of givens at a particular time. As a result, it is essentially timeless, paying little attention to past and future processes or the creation of new entities within an organization. By significant contrast, organic ideas contain concepts and relationships as part of a continuous process that values and emphasizes the creation of more relationships (Farjoun and Recanatì, 2002, p. 562).

The organic perspective also appears to offer several advantages in improving general worker interactions and practices. Organic systems encourage managers to think and act in more holistic, process-oriented, entrepreneurial and creative ways. In "Measuring Organic and Mechanistic Cultures," Reigle (2001) expressed the belief that workers in today's high-technology organizations, in particular, required environments with such organic characteristics. To retain highly skilled workers, she recommended,

managers were encouraged to first determine whether or not their organizations exhibited organic or mechanistic cultures. After doing so, managers could then work towards assessing how to go about building organizations that were more organic in scope and purpose.

Further studies show that the more an organization exhibits organic qualities, the more improved employee retention as a whole can be. Gillen & Carrol (1985) demonstrated that new employees voluntarily stayed 14 months longer in organizations emphasizing interpersonal relationship values than in those emphasizing more work task values. Those workplace relationships established and influenced both organizational structure and employee satisfaction.

In “Motivation and job satisfaction,” Holland (1989) classified employees into categories of the “nature of man,” representing different perspectives on what drove individuals in their professions. There were four basic classes, according to Holland: the rational-economic man (the man who balance the amount of satisfaction achieved from an action with the amount of effort the action took and who considered money to be the primary satisfier), the social man (that man who needed to be liked by fellow workers), the self-actualizing man (the man with different needs at different times, classifiable into a system of priorities), and the complex man (the man whose motives were not monolithic, but instead reflected the many facets of human personality) (pp. 32-35). In organizations that were structured based on the complex-man model, a flexible atmosphere was created that encouraged skill development and promoted leadership possibilities, leading it to be considered organic. This type of organization allowed for more open communication styles and an appreciation of employee talents and abilities.

Other theories, however, promoted the view that a balance between mechanistic and organic orientations was preferable to choosing one perspective over another. A study by Rahman & Zanzi (1995) concluded that managers needed to create a careful balance between job-related stress, organic/mechanistic orientations, and job satisfaction for overall organizational effectiveness. In doing so, they would avoid adhering to either perspective alone and rather attempt to seek a practical and functional fusion of the two. An organic perspective could ultimately help renew mechanistic concepts and models.

The organic perspective has been gaining more ground in recent times. With a more egalitarian approach, more attuned to dynamic and uncertain environments, it is considered by many to be highly effective, more innovative, less rule based, and less hierarchical than mechanistic systems. As noted in “Towards an Organic Perspective on Strategy” (Farjoun & Recanati, 2002), prompted by the limitations of the mechanistic perspective and inspired by the advent of new ideas in the social and natural sciences, the field is beginning to see a progressively greater emergence of organic developments.

Structure is a critical issue in an organization’s success. The choices made in this area bear directly on the ability to build and maintain an effective, long-term employee base. Unfortunately, as the study of organic and mechanistic structures within management and organizational theories where nonprofit management is concerned, little is available on the precise impact organizational structure has on employee satisfaction.

#### Statement of Research Hypothesis

The current study explored a two-part hypothesis: The more organic the perceived organizational structure, the more satisfied the employees; and the more mechanistic the perceived organizational structure, the less satisfied the employees.



## CHAPTER II: METHODOLOGY

### Population Surveyed

Fifteen non-profit agencies in the Bay Area of San Francisco were solicited to participate by completing the survey. Of the fifteen, four agreed. The primary subjects/respondents of this study included staff members from 501 (c)(3) organizations that were youth-serving as part of the agency mission. The individuals that participated in the study were selected to include staff from multiple levels within the respective organizations. Individuals in the following capacities were surveyed: direct service, administrative assistance, middle management, and senior management.

The subjects were first identified by using individuals in the Bay Area to identify organizations with a 501(c)(3) status with annual revenues of, or more than, \$500,000 and active enough to have filed a recent return, as confirmed by Guidestar.com, a large and comprehensive resource of information on California nonprofits. Additionally, the agencies that were identified served individuals in a variety of capacities and offered a broad range of programming that included recreational, after-school opportunities, medical care, employment, mentoring, and shelter services. There was no requirement in this study for a set number of employees an agency needed to have or whether employees needed to fit into any particular category.

## Participants

Employees from four organizations participated in this study. All organizations were social service, nonprofit agencies serving youth between the ages of 12 and 23. The surveys were distributed to Organization A's 18 members, Organization B's 15 members, Organization C's 8 members, and Organization D's 11 members. The overall response rate for all organizations was 75%. Of Organization A's 18 members, 11 responded, (61.1%); of Organization B's 15 members, 12 responded (80%); of Organization C's 8 members, 7 responded, (87.5%); and of Organization D's 11 members, 9 responded (81.8%).

The surveys were completed over a two-month period from January '04 through March '04 and were distributed to direct service, middle management, senior management, and administrative employees during staff meetings. A total of 41 responses were received but 11 surveys were eliminated because they were incomplete, leaving a sample size of 30 for statistical analysis.

## Instrumentation

Scales were created specifically for this study (see Appendix A). Questions regarding employee satisfaction were loosely modeled on the surveys conducted by Allison Wood (1999, pp. 34-36), in "The Relationship between Connectivity of Remote Workers and Job Satisfaction." Questions on mechanistic and organic structures were formulated based on definitions of organic and mechanistic structures as proposed by Burns and Stalker in "The Management of Innovation." (2001, pp.119-121). Additionally, the survey and its questions were formulated on the basis

of the experience and perceptions of the Researcher and her knowledge of the nonprofit sector.

The questionnaire required that respondents provide answers to questions based on a Likert scale ranging from 1 to 5 (“not at all — “always”) and 6 for *n/a* (not applicable). Respondents were asked to circle the number that best described their response to each question. The categories included job satisfaction, organizational structure, mechanistic structure, organic structure, and affiliation/sentiment toward youth-serving professions. Additionally, years in current job, years in the youth-serving field, position at worksite, and salary were elicited as part of the demographic components. These categories allowed investigation of the relationship among variables.

#### Procedures

Those agencies selected under the criteria described above were first contacted by telephone. After the address and name of the appropriate individual to assist with the research was obtained, a call was placed to the organization, followed by a letter introducing the researcher and the research project. This included a request for total staff participation in the study. Clearly stated was the fact that the information collected during the project’s duration would be kept completely confidential and that there would always be open communication between the researcher and the contact person of the organization. The questionnaire and its instructions for completion were included for perusal along with a consent component indicating that participation in the study was completely voluntary.

When the questionnaires were ready to be distributed to employees of each agency, a follow-up call was placed to the agency lead contact. This phone call re-introduced the research project and encouraged total staff participation and cooperation as well as serving to determine the number of respondents from each facility that intended to participate. The reason for the call was to reiterate the importance of filling out the questionnaire as well as to maintain momentum with each contact.

The survey was then distributed during staff meetings at the organizations, along with a brief overview of the study and instructions. Individuals had as much time as was needed to fill out the questionnaire while the Researcher waited. Surveys were timed to take an average of approximately 4 minutes and 38 seconds.

Importantly, questionnaires were coded for research purposes, so as to determine which agencies had or had not filled out the materials and to maintain a staff count. Those employees not present at the staff meeting had the opportunity to respond after an follow-up phone call was placed to the lead contact, requesting that they ask these staff members to complete and return the surveys as promptly as possible. A window of an additional two weeks was allotted in order to receive these additional surveys.

#### Operational Definitions of Relevant Variables

*Employee satisfaction.* Elements of job satisfaction. Perceptions of job satisfaction as it related to the respondent's job, supervisor, enthusiasm for work. This variable was measured by questions number 1–17 (see Appendix A).

*Mechanistic structure.* Perceptions of mechanistic structure. Perception of position and organizational structure at work as mechanistic in organizational structure. This variable was measured by questions number 18–30 (Appendix A).

*Organic structure.* Perceptions of organic structure. Perception of position and organizational structure at work as organic in organizational structure. This variable is measured by questions number 31–44 (Appendix A).

#### Additional variables

Additional demographic variables included employee position at the organization or agency, salary range, years at current position, and years in the youth-serving field. These variables were acquired for descriptive purposes only (see Appendix C).

#### Research Design

Research was based on self-reported and perceptual data, with the individual as the primary unit of analysis. Research was cross-sectional, as subjects were measured at only one point in time.

#### Data Analysis

The data in this research project were analyzed with quantitative techniques in order to identify the perceptions of individuals in the youth-serving field. Pearson correlation coefficients were used to measure the relationship between scales. The satisfaction scale was correlated with both organic and mechanistic scales. Questions in the survey were combined to create scales in order to test the hypothesis that employee satisfaction was higher in organizations that were more organic in organizational structure.

Affiliation/sentiment questions were initially included in the survey tool to gauge the effect of affiliation to an organization on employee satisfaction and organizational structure. After completion of data collection, this scale was found to be unacceptably low in reliability ( $\alpha < .20$ ), so it was eliminated from further analyses. Therefore, the post hoc analyses to remove the linear contribution of job stress, perceived adequacy of training, and perceived competence of supervisor items on the relationship between satisfaction and organizational structure were accomplished via partial correlation.

Tables of descriptive statistics, Scatterplots, and line-of-best-fit techniques (correlation line) were performed in SPSS (Chicago, Illinois) and Microsoft Excel (Microsoft Corp, Redmond, Washington) software to visually demonstrate the findings. Correlations were statistically significant at the  $p < 0.05$  level. Pearson's "r" was squared ( $r^2$ ) to determine the variance in satisfaction scores accounted for by mechanistic or organic organizational structures.

#### Limitations of the Study

The project was limited by sample size. Fifteen nonprofit agencies were given the questionnaire, but only four responded. Small samples limited the capacity for detecting differences, but in spite of the small sample size, the hypothesis was supported. Regardless, future studies should over-solicit to ensure adequate sample sizes. This small sample limited the generalizing of the present findings, so extrapolation of present findings to the youth-serving field as a whole should be made only with caution.

Additionally, the participants selected were limited to the geographic region of the San Francisco Bay Area. Participating agencies that were selected were based on

knowledge of agencies from individuals residing in the Bay Area and were also limited to those with a 501 (c)(3) status; many for-profit and government agencies in the vicinity offered similar services and programs.

The findings were further limited to describing respondents' perceptions about job satisfaction and organizational structure. No hard data on organizational charts from each respective agency were reviewed for verification or used for comparisons. Therefore, the actual structure was not measured, except through the perceptions of the employees. While it is possible that perceptions are more important than objective organizational structure in satisfaction, future studies should use objective criteria and assess the organizational structure for comparison with employee perceptions.

The survey methodology limited the study in that the exact truthfulness of responses was unknown. Surveys were completed during staff meetings, so the ratings by some individuals could have been seen by, and influenced, other individuals. Soliciting information regarding job-related issues is sensitive and may best be done without co-workers in the same room. Perhaps the people most or least satisfied in particular organizations were inclined to participate. To foster independence among respondents, future studies should seek private responses rather than responses within a group setting.

Further, the evidence presented here is correlational, so no cause and effect relationships should be drawn without exercising caution. As correlational studies yield less clear-cut conclusions about possible cause-effect relationships than do experiments (Witte, 2001), we may conclude that while there is ample cause for speculation that organizations with more mechanistic structures have less satisfied employees and that

organizations with more organic structures have more satisfied employees, interpretation may be highly subjective.



## CHAPTER III: RESULTS

### Scale Descriptives

Satisfaction items ( $n = 12$ ) averaged 3.5 on the 1-to-5 Likert scale (Standard Deviation = 0.5). Descriptors of the satisfaction scale are summarized in Table 2. Mechanistic Organization items ( $n = 13$ ) averaged 2.9 on the 1-to-5 Likert scale (Standard Deviation = 0.5) (see Table 3). Organic Organization items ( $n = 14$ ) averaged 3.3 on the 1-to-5 Likert scale (Standard Deviation = 0.2) (See Table 4).

*Table 2*  
*Satisfaction Scale Items Frequencies*

Satisfaction Item		Not at all	Rarely	Sometimes	Usually	Always	Total
My supervisor cares about what I think	Fw	0	0	13	12	5	30
	%	0.0%	0.0%	43.3%	40.0%	16.7%	100%
I feel a great sense of accomplishment from my job	Fw	0	4	9	13	4	30
	%	0.0%	13.3%	30.0%	43.3%	13.3%	100%
My work is challenging	Fw	1	1	2	16	10	30
	%	3.3%	3.3%	6.7%	53.3%	33.3%	100%
I have an excellent relationship with my supervisor	Fw	1	2	13	9	5	30
	%	3.3%	6.7%	43.3%	30.0%	16.7%	100%
I think about quitting this position	Fw	2	10	13	4	1	30
	%	6.7%	33.3%	43.3%	13.3%	3.3%	100%
I feel my job is important to the success of this agency	Fw	1	3	4	13	9	30
	%	3.3%	10.0%	13.3%	43.3%	30.0%	100%
I have the freedom to do my job as I see fit	Fw	1	2	9	15	3	30
	%	3.3%	6.7%	30.0%	50.0%	10.0%	100%
I feel respected in my position	Fw	0	2	10	13	5	30
	%	0.0%	6.7%	33.3%	43.3%	16.7%	100%
I am satisfied with my job	Fw	1	1	9	17	2	30
	%	3.3%	3.3%	30.0%	56.7%	6.7%	100%
I am satisfied with the job benefits	Fw	0	5	10	10	5	30
	%	0.0%	16.7%	33.3%	33.3%	16.7%	100%
My salary is proportionate to the work I do	Fw	8	10	5	6	1	30
	%	26.7%	33.3%	16.7%	20.0%	3.3%	100%
Most days I am enthusiastic about work	Fw	0	4	6	18	2	30
	%	0.0%	13.3%	20.0%	60.0%	6.7%	100%
<i>Scale Totals</i>	Fw	15	44	103	146	52	360
	%	4.2%	12.2%	28.6%	40.6%	14.4%	100%

*Note:* Fw = frequency, % = percentage of respondents choosing that rating.

*Table 3*  
*Mechanistic Scale Item Frequencies*

Mechanistic Item		Not at all	Rarely	Sometimes	Usually	Always	Total
My job responsibilities change	Fw	0	8	9	10	3	30
	%	0.0%	26.7%	30.0%	33.3%	10.0%	100%
My superiors appreciate being challenged	Fw	1	5	15	6	3	30
	%	3.3%	16.7%	50.0%	20.0%	10.0%	100%
I am involved in creating my job duties/job description	Fw	3	9	8	7	3	30
	%	10.0%	30.0%	26.7%	23.3%	10.0%	100%
Supervisors tend to "talk down" to employees at this agency	Fw	4	9	11	5	1	30
	%	13.3%	30.0%	36.7%	16.7%	3.3%	100%
employees are encouraged to make their own decisions	Fw	0	10	8	11	1	30
	%	0.0%	33.3%	26.7%	36.7%	3.3%	100%
Rules and regulations are strictly enforced	Fw	0	5	14	8	3	30
	%	0.0%	16.7%	46.7%	26.7%	10.0%	100%
I am supervised very closely	Fw	1	10	11	5	3	30
	%	3.3%	33.3%	36.7%	16.7%	10.0%	100%
Employees are encouraged to take initiative with their work	Fw	0	4	5	16	5	30
	%	0.0%	13.3%	16.7%	53.3%	16.7%	100%
My work environment feels impersonal	Fw	7	11	10	2	0	30
	%	23.3%	36.7%	33.3%	6.7%	0.0%	100%
There is a definite sense of hierarchy at this organization	Fw	0	3	6	9	12	30
	%	0.0%	10.0%	20.0%	30.0%	40.0%	100%
Following orders is rewarded at this agency	Fw	0	2	8	15	5	30
	%	0.0%	6.7%	26.7%	50.0%	16.7%	100%
I am comfortable talking to my supervisors about work challenges I face	Fw	0	4	7	15	4	30
	%	0.0%	13.3%	23.3%	50.0%	13.3%	100%
There is a sense that you shouldn't "rock the boat" here	Fw	1	11	11	4	3	30
	%	3.3%	36.7%	36.7%	13.3%	10.0%	100%
Scale Totals	Fw	17	91	123	113	46	390
	%	4.4%	23.3%	31.5%	29.0%	11.8%	100%

*Note:* Fw = frequency, % = percentage of respondents choosing that rating.

*Table 4*  
*Organic Scale Item Frequencies*

Organic Item		Not at all	Rarely	Sometimes	Usually	Always	Total
Open communication between all levels of staff is encouraged	Fw	1	4	10	9	6	30
	%	3.3%	13.3%	33.3%	30.0%	20.0%	100%
My ideas are sought and used	Fw	0	6	11	12	1	30
	%	0.0%	20.0%	36.7%	40.0%	3.3%	100%
Focus on mission is extremely important	Fw	1	5	3	16	5	30
	%	3.3%	16.7%	10.0%	53.3%	16.7%	100%
Most organizational goals are established through group action	Fw	1	6	14	8	1	30
	%	3.3%	20.0%	46.7%	26.7%	3.3%	100%
My career advancement is important to my superiors	Fw	3	4	14	7	2	30
	%	10.0%	13.3%	46.7%	23.3%	6.7%	100%
Open communication is encouraged	Fw	0	4	12	9	5	30
	%	0.0%	13.3%	40.0%	30.0%	16.7%	100%
My supervisor involves me in the work of this agency	Fw	1	7	6	12	4	30
	%	3.3%	23.3%	20.0%	40.0%	13.3%	100%
Superiors provide excellent guidance in the workplace	Fw	2	8	8	10	2	30
	%	6.7%	26.7%	26.7%	33.3%	6.7%	100%
Rules and policies are always changing	Fw	0	12	10	6	2	30
	%	0.0%	40.0%	33.3%	20.0%	6.7%	100%
My career development is encouraged at this organization	Fw	2	4	7	12	5	30
	%	6.7%	13.3%	23.3%	40.0%	16.7%	100%
I'm encouraged to understand the "bigger picture" at this agency	Fw	1	5	7	12	5	30
	%	3.3%	16.7%	23.3%	40.0%	16.7%	100%
My job duties and responsibilities frequently change	Fw	0	11	11	5	3	30
	%	0.0%	36.7%	36.7%	16.7%	10.0%	100%
I am connected to my work community	Fw	0	2	13	11	4	30
	%	0.0%	6.7%	43.3%	36.7%	13.3%	100%
Open communication between all levels of staff is encouraged	Fw	1	4	11	10	4	30
	%	3.3%	13.3%	36.7%	33.3%	13.3%	100%
<i>Scale Totals</i>	Fw	12	78	126	129	45	390
	%	3.1%	20.0%	32.3%	33.1%	11.5%	100%

*Note:* Fw = frequency, % = percentage of respondents choosing that rating

### Reliability Analysis of Scales

The survey was compiled into three scales, measuring employee satisfaction and the perceived mechanistic structure and organic structure of the participant's workplace. Scales were tested for reliability using standardized item alpha. Each of the three scales was found to be of acceptable reliability. The reliability coefficient for questions on mechanistic structure was .77. The reliability coefficient for questions on organic structure was .86. The reliability coefficient for questions on employee satisfaction was .75.

Overall, 39 survey items were included within the three scales, yielding a reliability alpha of .89. Six items were eliminated because they lowered the standardized item alphas. The three remaining items solicited participant attitudes regarding work training, supervisor knowledge, and work stress. Combining all three scales yielded an alpha of .89. Because reliability assessment indicated  $>.70$  for each scale, the present survey was considered of adequate reliability to proceed with hypothesis testing.

### Hypothesis Testing

The primary hypothesis of the present study included two predictions: a positive relationship between organic organizational structure and satisfaction, and a negative relationship between mechanistic organizational structure and satisfaction. For the primary hypothesis to be supported, Pearson correlation coefficients needed to be statistically significant in the predicted directions for both comparisons of interest.

Mechanistic and organic scales correlated negatively ( $-.73$ ; see Table 5). If both organic and mechanistic scales had positively correlated, the results of the present study would be unintelligible. Visual displays of the relationship between satisfaction and the

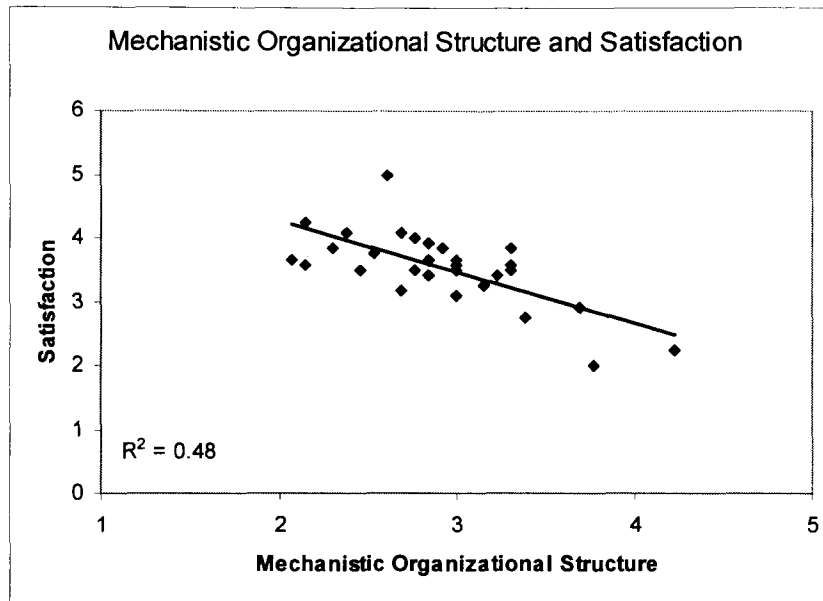
mechanistic and organic scales are presented separately. Findings were as follows: 1) The correlations in Table 5 suggest that organizations more organic in structure had more satisfied employees and organizations more mechanistic in structure had less satisfied employees; 2) Table 6 visually demonstrates that the more mechanistic the organization, the less satisfied the employees tended to be. The Pearson correlation coefficient was negative and statistically significant ( $r = -.69$ ,  $p < .0001$ ), with mechanistic organizational structure accounting for 48% of the variance in satisfaction ( $r^2 = .48$ ); and 3) Table 7 demonstrates that the more organic the organization, the more satisfied the employees. The Pearson correlation coefficient was positive and statistically significant ( $r = +.66$ ,  $p < .0001$ ), with organic organizational structure accounting for 43% of the variance in satisfaction ( $r^2 = .43$ ).

*Table 5*  
*Correlations*  
*Correlations*

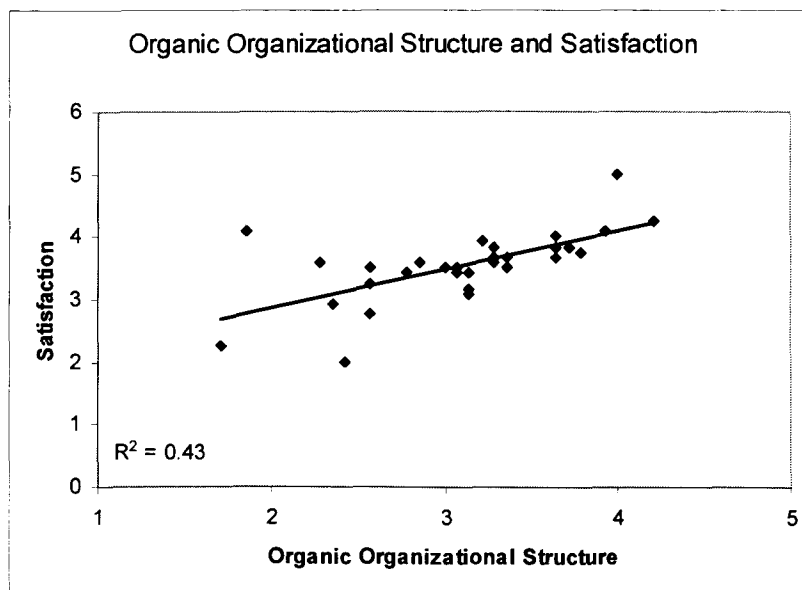
		Satisfaction	Mechanistic	Organic
Satisfaction	Pearson Correlation	1	-.69**	.66**
	Sig. (2-tailed)		.00002	.00008
	N	30	30	30
Mechanistic	Pearson Correlation	-.69**	1	-.73**
	Sig. (2-tailed)	.00002		.000004
	N	30	30	30
Organic	Pearson Correlation	.66**	-.73**	1
	Sig. (2-tailed)	.00008	.000004	
	N	30	30	30

\*\* Correlation is significant at the 0.0001 level (2-tailed).

*Table 6*  
*Mechanistic Organizational Structure and Satisfaction*



*Table 7*  
*Organic Organizational Structure and Satisfaction*



### Post hoc analyses

Because it is possible that employee attitudes regarding work stress, employer knowledge, and in-service training could have affected the present findings, partial correlations were conducted. These items were components of an affiliation/sentiment scale that was eliminated from analyses because of low reliability. However, it was thought that these items might confuse the findings of more satisfaction in organic structure and less satisfaction in mechanistic structures. Therefore, these items were controlled for using partial correlation.

Even after partial correlation (Table 8) removed the linear portion of satisfaction variance from work stress, employer knowledge, and in-service training items, the significant negative correlation between mechanistic organizational structure and satisfaction remained essentially unchanged ( $r = -.69$ ,  $r^2 = .48$ ,  $p, .0001$ ). Similarly, partial correlation removed the linear portion of satisfaction variance from work stress, employer knowledge, and in-service training items, yet the significant positive correlation between organic organizational structure and satisfaction remained statistically significant ( $r = +.61$ ,  $r^2 = .37$ ,  $p, .001$ ).



*Table 8*  
*Partial Correlation*

	Satisfaction	Mechanistic	Organic
Satisfaction Partial Correlation	1	-.69	.61
DF	0	25	25
Sig. (2-tailed)	p = n/a	p = .00004	p = .001
Mechanistic Partial Correlation	-.69	1	-.71
DF	25	0	25
Sig. (2-tailed)	p = .00004	p = n/a	p = .00002
Organic Partial Correlation	.61	-.71	1
DF	25	25	0
Sig. (2-tailed)	p = .001	p = .00002	p = n/a

(Coefficient / (D.F.) / 2-tailed Significance)

Controlling for... Supervisor Knowledge, In-service Training, Job Stress

In summary of post hoc analyses, partial correlations to eliminate the effects of work stress, employer knowledge, and in-service training had little effect on the findings of a significant negative correlation between mechanistic or organizational structure and satisfaction or of a significant positive correlation between organic organizational structure and satisfaction.

#### Summary of Findings

Present findings supported the research hypothesis that employee satisfaction is higher in organizations that have a more organic structure. Further, the characteristics of mechanistic structures may not be conducive to employee satisfaction. These results have direct implications for how nonprofits structure and supervise staff.

## CHAPTER IV: SUMMARY AND CONCLUSIONS

### Review of the Problem

The purpose of the present study was to identify organizational characteristics that lead to employee satisfaction in youth-serving organizations. This relationship is significant because employee satisfaction is a crucial factor in personal well-being, employment longevity, and professional productivity. Schmid (2002) suggests that organizational structure may hold a key toward influencing overall organizational effectiveness. However, the relationship between structure and satisfaction remains unclear. This study investigated organizational structure as a factor in employee satisfaction in youth-serving non-profit organizations.

Implicit in organizational structure is how and why employees, from the executive director to support staff, communicate, make decisions, interact, and generally work toward achieving agency goals and successfully serving stakeholders. How an agency is structured and functions was of great interest because of the impact of organizational structure on employee satisfaction.

### General Discussion

In the present study, satisfaction was found to be higher in participants who perceived their organization as more organic in structure, thus yielding a positive correlation between organic organizational characteristics and satisfaction. Contrarily, satisfaction was negatively associated with mechanistic structure.

These findings suggest the possibility that eliminating ranks and encouraging the minimizing of hierarchical differences may be perceived by employees as conducive to satisfaction. This is consistent with the finding of others (Goffee & Jones, 1996). It is

possible that mechanistic perspective can seem at odds with the constantly changing observed behavior of individuals (Farjoun & Recanatì, 2002).

It is important to note that the present findings held even when job-stress, respect for the supervisor's knowledge and skills, and perceived adequacy of training at their agency were statistically removed. Stress, respect for superiors, and training adequacy may be important factors in satisfaction, so removing them from the comparison without changing the outcome served strengthen the conclusion that job satisfaction was higher in organic structures and lower in mechanistic structures.

This study attempted to add to original research by Burns and Stalker (2001), on organic and mechanistic systems in organizations, by means of an examination of organic and mechanistic system dynamic. It also aimed to contribute to the evolution of thinking about organizational structure from a mere abstract conceptualization to something more susceptible to concrete definition and systems of measurement in mechanistic and organic terms.

Organic systems tend to be more egalitarian in approach, open and flexible in structure, and characterized by freer lines of communication. Organic systems also encourage the development and accessibility of horizontally flowing, quality information networks that create a more supportive environment. More holistic and process-oriented in nature, these mechanisms emphasize the value and creation of more positive relationships within the workplace and create a generally more supportive environment. Organic systems encourage managers to think and act in more holistic, process-oriented, entrepreneurial, and creative ways. The findings of the present study suggest that this is more satisfying to employees than a mechanistic approach.

The more traditional mechanistic organizational structures such as general hierarchies and control systems have proved to be costly and ineffective (Goffee & Jones, 1996, p.2). Mechanistic systems, characterized by vertical lines of communication and rigid, closed structures, have a tendency to be inflexible. The mechanistic perspective may in fact be better suited to relatively stable and predictable environments. An organic perspective can ultimately help renew mechanistic concepts and models. If a balance can be created between organic and mechanistic orientations, however, overall employee satisfaction could be greatly improved.

Importantly, while organizations may be considered, or may consider themselves, either more mechanistic or more organic in nature, in terms of their organic structure there is room for variation. It is very likely that there will be overlap on multiple levels and that some areas of an agency may be more mechanistic in their organizational structure and other parts more organic. There is also the possibility that an agency may be perfectly balanced between the two.

Additionally, when assessing employee satisfaction in relation to organizational structure, it is important to note that perceptions of organizational structure may indeed be misperceptions. So, since perception varies from individual to individual, results from this study may be limited to the linkage between satisfaction and the perceptions of structure, rather than extending to that between satisfaction and the reality of organizational structure.

### Implications

The findings of the present study suggest how organizations and their administrative personnel might improve levels of employee satisfaction if they were to

define and maintain more organic principles and characteristics within their organizational structure. With serious implications such as turnover, reputation, work ethic, employee work output, and overall job satisfaction, it is hard to ignore the validity, importance, and potential of a more organic-based movement in administration and program practices.

Although equally worth exploring, more than benefits, compensation, or promotions, perception of organizational structure is a basic building block for employee satisfaction that needs to be developed and analyzed within the nonprofit climate. Whether or not a true reflection of the reality of an organization, agencies might consider taking into account the inherent value of employee perceptions of organizational structure and adopt ways to apply this knowledge systematically when considering such issues as finding, hiring, and retaining staff. By pursuing tools that explore nonprofits with organic and/or mechanistic structures, nonprofits may more clearly recognize the unparalleled importance of maintaining an effective workforce by ensuring that they have broadly satisfied employees.

Administrative practices could potentially alter the nature of their interactions between employees on multiple levels. Interactions between senior staff and direct staff members could improve, allowing for smoother movement within departments. Various stakeholders and clients at organizations could enjoy the benefits of increased organic structure as well. An employee's well being at work is critical to the quality of services provided by the organizations and may allow for the development and strengthening of ties between staff members and clients alike.

### Recommendations for Further Research

Based on the present findings it is important to further explore the relationship between organizational structure and various social service categories and the implications for nonprofits and stakeholders. Models of transition from mechanistic to organic structures in nonprofit organizations are needed.

Employee satisfaction is complex, but it impacts motivation, recruitment, and retention. Additional aspects such as leadership, burnout, and participative management should also be evaluated. With a growing movement of managers who are actively seeking new ways to decrease turnover and improve employee relations and broad employee satisfaction with job roles, responsibility, and relationships, it appears that further study on the relationship of organizational structure and employee satisfaction is timely and well warranted.

Further research could investigate potential differences in social service agencies and explore the relationships within various sub-groups in the nonprofit world. Other sub-groups that could be studied include groups based on gender, age, social service field, etc. Personality profiles or more extensive demographic data could be used.

Another possibility for study could include intra-organizational analysis. Organizations could be assessed in terms of the ways in which different employees within the same agency respond based on their individual perceptions of organizational structure. Comparisons could then be drawn among employees to see which employees were more satisfied and what positions they occupied. This tool could then be utilized to determine and promote plans of action to increase overall satisfaction.

Research that is based on employee satisfaction should include more exploration of organizational structures and the kinds of concern nonprofits face. Individuals and groups could provide the basis for the study and offer results to the for-profit world through cross-comparison. Furthermore, new analyses could be derived from analyzing structures between nonprofit and for-profit entities.

The present study was cross-sectional. Future studies should incorporate follow-up mailings to participants to look at whether changes in organizational structures were effected over time. This would involve longitudinal studies that could track each organization, measuring and monitoring over time changes in staff, overall employee satisfaction rates, and perceptions of the organizational structures in place.

### Conclusion

This research attempted to contribute to a broader understanding of employee satisfaction. While what contributes to the satisfied employee is a broad and seemingly expansive subject, it is possible that it may be deconstructed into several dimensions, with employee perceptions of organizational structure being one such, of demonstrated value and importance.

The present study provides empirical support for the proposition that employee satisfaction is higher in youth-serving non-profit organizations perceived by those employees to be more organic in structure, and lower in organizations perceived to be more mechanistic in structure.

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## APPENDIX A

### Organizational Structure Questionnaire

#### **The effect of organizational structure on employee satisfaction in youth-serving organizations.**

Instructions:

- 1) Please complete this questionnaire individually.
- 2) Use black, blue or red ink for this questionnaire.
- 3) If any of the questions do not apply to you, please mark n/a (not applicable) next to the question.

*All of the following information is strictly confidential. Individual results will not be reported.*

#### **Vocabulary:**

**Organizational structure:** The identification of the elements in an organization and relations between them; the pattern of relationships among people that facilitate accomplishment of an organization's tasks.

**Please circle the choice (1-5) that best describes your response to the question:**

	Not at all	Rarely	Some- times	Usually	Always	N/A
1. My supervisor cares about what I think	1	2	3	4	5	
2. I feel a great sense of accomplishment from my job	1	2	3	4	5	
3. My work is challenging	1	2	3	4	5	
4. I have an excellent relationship with my immediate supervisor	1	2	3	4	5	
5. I think about quitting this position	1	2	3	4	5	
6. I feel my job is important to the success of this agency	1	2	3	4	5	
7. I have the freedom to do my job as I see fit	1	2	3	4	5	
8. I feel respected in my position	1	2	3	4	5	

9. I am satisfied with my job	1	2	3	4	5
10. I am satisfied with the job benefits	1	2	3	4	5
11. My salary is proportionate to the work I do	1	2	3	4	5
12. Most days I am enthusiastic about work	1	2	3	4	5
13. I am aware of how my agency is organized	1	2	3	4	5
14. I am familiar with organization charts	1	2	3	4	5
15. Decision-making is a team-effort at this agency	1	2	3	4	5
16. Work responsibilities are shared among staff	1	2	3	4	5
17. I feel encouraged to make suggestions about how this organization is operated	1	2	3	4	5
18. My job responsibilities change	1	2	3	4	5
19. My superiors appreciate being challenged	1	2	3	4	5
20. I am involved in creating my job duties/ job description	1	2	3	4	5
21. Supervisors tend to "talk down" to employees at this agency	1	2	3	4	5
22. Employees are encouraged to make their own decisions	1	2	3	4	5
23. Rules and regulations are strictly enforced	1	2	3	4	5
24. I am supervised very closely	1	2	3	4	5
25. Employees are encouraged to take initiative with their work	1	2	3	4	5
26. My work environment feel impersonal	1	2	3	4	5
27. There is a definite sense of hierarchy at this organization	1	2	3	4	5
28. Following orders is rewarded at this agency	1	2	3	4	5
29. I am comfortable talking to my supervisors					

about work challenges I face	1	2	3	4	5
30. There is a sense that you shouldn't					
"rock the boat" here	1	2	3	4	5
31. Open communication between all levels of					
staff is encouraged	1	2	3	4	5
32. My ideas are sought and used	1	2	3	4	5
33. Focus on mission is extremely important	1	2	3	4	5
34. Most organizational goals are established					
through group action	1	2	3	4	5
35. My career advancement is important to					
my superiors	1	2	3	4	5
36. Open communication is encouraged	1	2	3	4	5
37. My supervisor involves me in the work of					
this agency	1	2	3	4	5
38. Superiors provide excellent guidance in					
the workplace	1	2	3	4	5
39. Rules and policies are always changing	1	2	3	4	5
40. My career development is encouraged at this					
organization	1	2	3	4	5
41. I'm encouraged to understand the					
"bigger picture" at this agency	1	2	3	4	5
42. My job duties and responsibilities frequently					
change	1	2	3	4	5
43. I am connected to my work community	1	2	3	4	5
44. Open communication between all levels of					
staff is encouraged	1	2	3	4	5
45. I think of working with youth as a profession	1	2	3	4	5
46. This position within the youth-serving field					

is an important step in my career path development	1	2	3	4	5
47. I respect my supervisor's knowledge and					
skills in the field of youth work	1	2	3	4	5
48. In-service training is adequate at this agency	1	2	3	4	5
49. I am under stress in this position	1	2	3	4	5
50. This organization cares deeply about the					
welfare of youth	1	2	3	4	5

**YEARS IN CURRENT JOB:** 1-5\_\_\_\_ 6-10\_\_\_\_ 11-15\_\_\_\_ 15+\_\_\_\_

**POSITION** (please circle the one in which you feel you spend most of your time):

*Direct Service*

*Middle Management*

*Senior Management*

*Administrative*

**Other**\_\_\_\_\_

**SALARY RANGE:**

___ under \$10,000	___ \$30,000-\$35,000	___ \$60,000-\$65,000
___ \$10,000-\$15,000	___ \$35,000-\$40,000	___ \$65,000-\$70,000
___ \$15,000-\$20,000	___ \$40,000-\$45,000	___ \$70,000-\$75,000
___ \$20,000-\$25,000	___ \$45,000-\$50,000	___ \$75,000-\$80,000
___ \$25,000-\$30,000	___ \$50,000-\$60,000	___ \$80,000+

*Thank you in advance for your interest, time and contribution!*

## APPENDIX B: INTRODUCTION LETTER TO PARTICIPANTS

Kirah J. Caminos  
4201 Suter Street  
Oakland, CA 94619  
(510) 437-9370  
*akcaminos@sbcglobal.net*

October 26, 2003

Staff  
Organization  
Address  
City, State, Zip

Dear Sir or Madam:

My name is Kirah Caminos and I am a graduate student in the College of Professional Studies at the University of San Francisco. I am doing a study on the effect of organizational structure on employee satisfaction in youth-serving organizations. I am interested in learning about perceptions as to what kinds of organizations help employees be and stay more satisfied at work. I hope to learn how decision-making and organizational structure affects employee satisfaction.

You are being asked to participate in this research study because you are an employee of a youth-serving organization. While there will be no direct benefit to you from participating in this study, I believe every individual voice counts with regards to any agency or organization's success and that your input will be invaluable in helping to determine what exactly helps or hinders employee satisfaction on the job.

It is possible that some of the questions on the survey may make you feel uncomfortable, but you are free to decline to answer any questions you do not wish to answer, or to stop participation at any time. Although you will not be asked to put your name on the survey, I will know your organization participated in the research because I have coded the questionnaires as per organization. I will not know which person filled out which survey. Participation may mean a loss of confidentiality. Study records will be kept as confidential as is possible. No individual identities will be used in any reports or publications resulting from the study. Study information will be coded and kept in locked files at all times. Only study personnel will have access to the files. Individual results will not be shared with personnel of your company.

There will be no costs to you as a result of taking part in this study, nor will you be reimbursed for your participation in this study.

If you have questions about the research, you may contact me at 510-437-9370. If you have further questions about the study, you may contact IRBPHS at the University of San Francisco, which is concerned with the protection of volunteers in research projects. You may reach the IRBPHS office by calling 415-422-6091 and leaving a voicemail message, by emailing [IRBPHS@usfca.edu](mailto:IRBPHS@usfca.edu) or by writing to the IRBPHS, Department of Psychology, University of San Francisco, 2130 Fulton Street, San Francisco, CA 94117-1080.

PARTICIPATION IN RESEARCH IS VOLUNTARY. You are free to decline to be in this study, or to withdraw from it at any point. The (organization) is aware of this study but does not require that you participate in this research and your decision as to whether or not to participate will have no influence on your present or future status as an employee at (organization).

Thank you for your attention. If you agree to participate, please complete the attached questionnaire.

Sincerely,

Kirah J. Caminos  
Graduate Student  
University of San Francisco



## APPENDIX C: DEMOGRAPHICS OF PARTICIPANTS

<b>Total Number of Participants:</b>	<b>30</b>
<b>Positions</b>	
<b>Administrative</b>	16.67%
<b>Direct Service</b>	53.33%
<b>Middle Management</b>	20.00%
<b>Senior Management</b>	10.00%

<b>Salary</b>	<b>Administrative</b>	<b>Direct Service</b>	<b>Middle Management</b>	<b>Senior Management</b>
Under \$10,000				33%
\$10,000 to \$15,000		6%		
\$15,000 to \$20,000	20%	6%		
\$20,000 to \$25,000		31%		
\$25,000 to \$30,000			33%	
\$30,000 to \$35,000	20%	25%	33%	
\$35,000 to \$40,000		19%	17%	33%
\$40,000 to \$45,000	40%	13%		
\$50,000 to \$60,000				33%
\$70,000 to \$75,000			17%	
\$80,000+	20%			

<b>Years In Position</b>	<b>Administrative</b>	<b>Direct Service</b>	<b>Middle Management</b>	<b>Senior Management</b>
1 to 5	100.00%	93.75%	66.67%	66.67%
6 to 10		6.25%		
11 to 15			16.67%	33.33%
15+			16.67%	