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Comprehensive Review of Organizational Design and Structure

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Abstract

Organizational structure and design are the main foundations in carrying out activities and achieving organizational goals effectively. Organizational structure regulates the formal relationship between tasks and authorities, while organizational design represents how the structure is formed and adjusted to the internal and external needs of the organization. In a dynamic era, organizations are required to adapt through an open system approach that prioritizes interaction with the environment. This study examines key elements in organizational structure such as work specialization, departmentalization, chain of command, span of control, centralization-decentralization, and formalization. In addition, factors that influence organizational design-including strategy, scale, technology, and environment-are also analyzed. Various structural models such as simple, functional, product, matrix, and network structures are explained along with their advantages and challenges. Understanding the theory of organizational structure and culture enriches the perspective on how organizational design plays a role in supporting performance and adaptation amidst rapid environmental changes. This study provides a theoretical and practical basis for the development of adaptive and effective organizational structures.

INTRODUCTION

Organizational structure has long been regarded as the backbone of organizational functioning, providing the framework within which activities, communication, and authority are distributed. It regulates how units interact, how reporting lines are managed, and how coordination across divisions is maintained. A strong structure ensures clarity of roles, efficiency in task allocation, and consistency in decision-making processes. Conversely, a weak or poorly designed structure can lead to overlapping responsibilities, duplication of effort, and a breakdown in accountability, ultimately hindering organizational performance. Thus, organizational structure is more than a technical or administrative blueprint; it is a strategic tool that can determine whether organizations succeed in achieving coherence and synergy

between their vertical hierarchies and horizontal linkages (Mielcarek, 2024; Dzebo et al., 2025; Bouckaert et al., 2022).

Closely related but conceptually distinct is organizational design. While structure represents the formal arrangement of roles and relationships, design refers to the broader process of creating, operating, and adapting that structure to fit organizational needs. Design captures the dynamic aspect of organizing, recognizing that the static arrangement of roles must evolve in response to both internal and external pressures. Internal drivers such as organizational size, leadership style, and work culture influence how designs are constructed and maintained (Leso et al., 2023; Konopaske et al., 2023). External forces including market competition, technological change, and regulatory environments further push organizations to continuously reassess whether their designs remain relevant and effective. The interdependence between structure and design underscores the complexity of organizational management: design provides the logic and process by which structure is renewed, while structure provides the stability necessary for design to be implemented.

A critical issue arises in striking the right balance between stability and adaptability. On one hand, rigid structures and conservative designs can provide consistency and predictability, which are essential for efficiency. However, they may also stifle innovation and make it difficult for organizations to adapt to environmental turbulence. On the other hand, highly flexible designs promote innovation and responsiveness, yet they often undermine accountability and create instability (Berglund-Snodgrass et al., 2023). Organizations that lean too far in either direction risk either becoming ossified bureaucracies incapable of responding to change or unstable systems that lack strategic coherence. This tension between stability and adaptability has become one of the central challenges in organizational theory and practice (Miceli et al., 2021).

To better understand this challenge, scholars often employ the systems perspective, which frames organizations as either closed or open systems. A closed system emphasizes internal processes, self-sufficiency, and tight control over inputs and outputs (Park et al., 2024; van Ittersum et al., 2025). Such a perspective may be suitable in highly stable environments where predictability outweighs the need for adaptation. However, in contemporary contexts marked by rapid technological disruption, global competition, and volatile social demands, the closed system model appears increasingly obsolete. The open systems perspective offers a more realistic lens by recognizing that organizations cannot isolate themselves from their environments. Instead, they must continuously interact with external actors, adapt to shifts in demand, and reconfigure internal processes to maintain alignment with their surroundings.

Nevertheless, adopting an open system perspective is not without complications. While responsiveness to external changes is necessary, excessive adaptation risks fragmenting organizational identity and diverting focus from core objectives. Organizations that chase every environmental signal may end up reactive rather than proactive, compromising long-term strategic direction (Vyas, 2025; Pihlajamaa, 2023). Thus, the open systems approach requires careful calibration: organizations must remain permeable enough to learn and adapt, yet stable enough to preserve their distinctiveness and internal coherence. This dialectic raises important questions about how structure and design can be aligned to ensure both responsiveness and resilience.

From a managerial standpoint, this debate has direct implications for how organizations are governed and led. In highly competitive markets, leaders must design organizations that foster innovation and agility, but without losing the

efficiency and accountability necessary for survival. Similarly, in public sector and non-profit contexts, where external demands often come in the form of regulations, funding conditions, and shifting social needs, the ability to adapt design without undermining stability becomes equally crucial. The challenge is amplified by the increasing complexity of organizational environments, where technological disruptions, cultural diversity, and global interdependence converge to create unpredictable pressures (Kaur et al., 2025).

Despite the extensive literature on organizational structure and design, gaps remain in our understanding of how these concepts interact in dynamic and resource-constrained environments. Much of the existing research has either treated structure as a fixed arrangement or design as an abstract process, without fully capturing the ways in which they reinforce or contradict one another (Baktheer et al., 2024). Furthermore, the prevailing advocacy for open systems has often underplayed the risks of over-adaptation, leaving unresolved questions about how organizations can maintain coherence while engaging with volatile external forces. There is a need for more critical examination of how organizations navigate the tension between structure and design, stability and flexibility, and closed versus open systems.

In light of these debates, this study seeks to critically analyze the role of organizational structure and design as interdependent mechanisms that shape organizational effectiveness. By exploring how organizations build, adapt, and reconcile their structures and designs in relation to external environments, this research aims to illuminate pathways for achieving both resilience and responsiveness. The central argument advanced here is that neither rigid structural stability nor unrestrained design flexibility alone can ensure survival. Instead, organizations must develop hybrid models that embed stability in core processes while fostering adaptability at the periphery. Such models require not only structural innovations but also cultural and managerial practices that support continuous learning and strategic alignment.

METHODS

The methodology of this investigation was a literature review, i.e. a library research, based on a descriptive-qualitative paradigm. The choice of this method was driven by the aim of the study that was to achieve an in-depth theoretical and conceptual understanding of organization design and structure. In contrast to an empirical field research, which is based upon direct observation or survey data, library research allows conducting a comprehensive analysis of existing knowledge, academic arguments, and theoretical models developed by other scholars before the research. It is, therefore, especially suitable to identify trends, synthesize opinions, and build a consistent picture of the modern organizational challenges in the sphere of management.

The collection of data was done by a systematic review of scholarly materials, which included textbooks, peer reviewed scientific journals, scholarly articles and other relevant academic publications. The selection criteria were two-fold (1) the relevance of the source material to the themes of the organizational design, structure, and management systems, and (2) the credibility of the source material, which was determined based on the academic rigor and recognition in the field. To provide both breadth and depth, the work did not impose itself on a single theoretical tradition, but, rather, occupied a continuum of different schools of thought in scholarship: between classical organizational theory and current views through the prism of systems theory, institutionalism, and environmental dynamics.

Thematic synthesis and conceptual mapping were the included in the analytical process. First, the gathered materials were divided into the major themes like organizational structure models, design principles, interior, and exterior

determinants as well as the interaction between stability and flexibility. These themes were then critically compared in order to demonstrate convergences, divergences and theoretical lacunae among different sources. Lastly, the results were incorporated into a systematic account which not only outlines the current theories available, but also highlights their usefulness and constraints in the quest to tackle modern organizational issues, such that the research went beyond being a summary, to provide a critical evaluation.

The descriptive-qualitative orientation was adopted because it allows the generalization of theoretical constructs using a contextual interpretation of the same as opposed to a statistical generalization. Through qualitative articulation and interpretation of concepts, the research hopes to embrace the complexity of organizational design and structure, especially how it develops, gets implemented and adapted to various organizational environments. This qualitative orientation also allows the focus on the dynamics of organizational adaptation which are often difficult to reduce to the purely quantitative measurement.

The study adopted a structured literature review protocol to enhance the validity of the study results. This involved following the development of organizational theories since the early research to the most recent studies, ongoing debates, and evaluating the influence of different contexts on organizational structure development, including technological transformation, globalization, regulatory settings, and so on. Also, it was done through cross-referencing between sources in order to be consistent and reduce bias. The validity of the synthesized insights was thus increased through the triangulation of different sources.

RESULTS AND DISCUSSION

In a world that is constantly changing and crowded, organizations are required to be able to adapt, manage resources effectively, and respond to environmental dynamics quickly and appropriately. To achieve this, organizations cannot run without a clear organizational structure and design. Both are important foundations that determine how the activities, responsibilities, and authorities of parts are organized in achieving common goals. This statement is in line with Robbins' (1990) opinion that organizational structure is a system of formal relationships of tasks and authorities that control how people coordinate their actions and use resources to achieve organizational goals.

Organizational structure functions as a formal framework that regulates relationships between parts of the organization, from the division of tasks, reporting lines, to cross-unit coordination systems. Without an effective structure, organizations will be vulnerable to role difficulties, duplication of work, and failure in strategic decision making. This structure also reflects how organizations build a balance between vertical and horizontal organization. This is reinforced by Blankenship & Miles (1968) who states that organizational structure refers to formal reporting relationships, including the number of levels in the hierarchy and the span of control of managers and supervisors.

Meanwhile, organizational design acts as a form of actualization of how the structure is formed, run, and adjusted to the needs of the organization. This design is not only influenced by internal conditions such as organizational size and work culture, but also by external factors such as the market environment, technology, and regulations. Kornberger (2017) explains that organizational design is the "invisible hand" that brings organizations to life and life to organizations, and serves to ensure effectiveness in achieving organizational goals. One important approach to understanding organizations is to view them as systems, either closed or open systems. The open system approach, which is more relevant to today's reality, emphasizes the importance of interaction between organizations and their

environments. Organizations that survive and thrive are those that are able to read changes, adapt, and continue to adjust their internal designs and structures to stay in line with external dynamics. In line with that, Jones & George (1998) state that organizations as open systems receive input from the environment, transform it, and release output back to the external environment as a form of ongoing dependence.

Definition of Design & Organizational Structure

Organizational Structure is a formal system of task and authority relationships that regulates how people coordinate and use resources to achieve organizational goals. Organizational Design is how an organization builds its structure to be effective in achieving goals. This design is influenced by the internal and external environment of the organization.

Basics of Organizational Structure

Some things that managers must pay attention to in designing an organizational structure, there are six elements that must be considered, namely:

Work Specialization All work in the organization is divided into a number of steps, with each step completed by a different individual. Which in essence work specialization is that rather than all work being done by one individual, it is better for each individual to specify in doing part of an activity that is in an organization. So that the goal will be achieved more effectively.

Departmentalization The basics used in grouping jobs are called departmentalization. 1) Grouping activities based on the functions carried out 2) Grouping activities based on the type of product produced by the organization 3) Grouping activities based on geography or territory 4) Grouping activities based on process.

The chain of command is an unbroken line of authority that extends from the top of the organization to the lowest levels of an organization, making it clear who reports to whom, for example to whom I am responsible

Span of control is important in determining organizational structure because in this case the top manager determines the number of managers and levels an organization has. With several subordinates, managers can direct members effectively and efficiently, this is what is meant by span of control.

Centralization and Decentralization In some organizations, top managers make all decisions and handle every problem. Lower-level managers simply carry out the instructions of top managers. In other circumstances, there are organizations where decision making is pushed down to the managers closest to the organization's actions. The first example is a highly centralized organization and the second is decentralized. The characteristic of a centralized organization is a structure that is inherently different from a decentralized organization. In a decentralized organization, action can be taken more quickly to solve problems, more people have input into decisions, and employees are less likely to feel alienated from those who make decisions that affect their work lives.

Formalization Refers to the degree to which jobs in an organization are standardized. If a job in an organization is highly formalized, then the job performers have less freedom to do their own thing in making decisions, and employees are less likely to feel alienated from those who make decisions.

Factors Affecting Organization

Organizational Strategy The right choice of structure does not guarantee success in achieving goals, but it can increase the possibility of success in achieving the goals

needed is a strategy in running an organization so that what has been set runs according to what is desired.

Organizational Scale The scale of the organization can be distinguished from various factors, including the amount of sales, market share, and the number of workers. A large-scale organization means that the organization has branches in various regions due to its wide market share. Technology The technology factor in question is how a product from a business organization is produced or also how the work is done. Environment Environmental factors are one of the things that determine how the organization will run. A dynamic environment will require the organization to adapt dynamically

Organizational Design System

The history of organizational design has been toward a closed approach of organization design which has developed to open systems approach of organization design. The boundary between the open system organizations and closed system organizations is one of the most important developments in this evolution. A closed system is one that does not depend on the surrounding to survive and hence autonomous, closed and isolated to external forces. The early management theories such as scientific management, leadership styles and industrial engineering were based on closed systems thinking because these theories assumed a stable environment and the belief that organizations could be made more effective by internal design. These ideas have further developed. The control of a closed system would be comparatively easy: the environment would be predictable and stable, which would do away with the necessity of intervention to a considerable extent. The main strategic issue in the management would be the effective working of internal processes. On the other hand, an open system has to engage with the environment to be sustained; it takes resources and in exchange, send resources to the environment. It does not eliminate itself, it has to constantly be able to adjust to the surrounding environment. Open systems may be extremely complicated, and internal efficiency, in most instances, is just one of a number of issues, and in some very minor ones; any system that needs to interact with its surroundings in order to remain viable is an open system, by definition. Human beings are the perfect open systems. In order to understand the whole organization, it should be perceived as a system. A system is an arrangement of interacting components that take in the environment, process the input in the system and produce outputs into the external environment. Dependencies on the environment are manifested by the need of inputs and outputs. The implication of interacting elements is that individuals and departments, need each other and have to collaboratively interact (Jones and George, 2002).

Elements of an Organizational Structure

There are three key elements of organization structure. First, it defines formal reporting relationships with the amount of hierarchical levels and span of control of managers and supervisors. Second, it determines how people are grouped into departments and how the departments are grouped together in the larger organization. Third, it involves the development of systems that ensure proper communication, coordination and integration of cross departmental initiatives. These three structural dimensions are both vertical and horizontal dimensions of organizing. In a perfect organization, the structure will motivate employees to provide information and promote horizontal coordination wherever and whenever necessary.

Structure in formal and informal organizations

Formal Organizational Structure is an organizational structure that is produced through the entire process. This formal organizational structure is usually used as a

guide by members of the organization to do various things in an effort to achieve organizational goals. While Informal Organizational Structure is a structure where workers gather in groups (outside the formal structure) based on similar demands, hobbies, and so on.

Vertical and Horizontal Hierarchy

In determining the hierarchy of span of management and chain of command, managers need to consider whether to use a vertical or horizontal hierarchy. Horizontal hierarchy is a form of organizational structure whose organizational parts are many to the side, and minimizes the number of sub-sections or departments. Vertical hierarchy is a form of organizational structure whose organizational parts multiply sub-sections or departments vertically.

Basic Challenges In Organizational Design

Differentiation

Vertical Differentiation, Number of levels in the hierarchy from top to bottom. Horizontal Differentiation, Division of roles into different functions/divisions.

Integration

The use of coordination mechanisms between organizational units such as cross-functional meetings, coordinator roles, or information systems.

Centralization vs Decentralization

Centralization, Decisions are taken by central management. Decentralization, Decision-making authority is given to lower units to be more responsive and innovative.

Standardization vs Mutual Adjustment

Standardization, Use of formal rules and procedures. Mutual Adjustment, Coordination based on informal communication and teamwork.

Mechanistic and Organic Structures

Mechanistic Structure, Stable, rigid, hierarchical (suitable for stable environments). Organic Structure, Flexible, participatory, adaptive (suitable for rapid change).

Contingency Approach

There is no one ideal structure. Structures must be adapted to the environment, technology, and strategies used by the organization.

Organizational Structure Design: Authority and Control

Objective

Explain how organizations build systems of authority and control through hierarchical structures.

Hierarchy and Vertical Differentiation

Hierarchies emerge as organizations grow and tasks become more specialized.

High Hierarchy Problems

Slow communication between levels, High bureaucratic costs, Employee motivation and participation tend to decline.

Minimum Chain of Command Principle

Organizations should only have the levels of hierarchy that are absolutely necessary for efficiency.

Span of Control

The number of direct reports a manager can supervise depends on the complexity of their tasks.

Principles of Bureaucracy (Max Weber)

According to Max Weber, the principles of bureaucracy are designed to create an efficient, rational, and fair organization. Bureaucratic organizations are run logically and systematically based on written rules, thus ensuring rationality and legal certainty in every process. Each individual in the organization carries out tasks according to their respective expertise, reflecting high specialization and competence. The authority structure is arranged hierarchically, with clear reporting lines from top to bottom. The entire work process is regulated in written rules and procedures to ensure consistency and accountability. Decision-making is carried out impersonally, without being influenced by personal interests, in order to ensure objectivity and fairness. In addition, career levels in the bureaucracy are based on work performance and competence, not on personal relationships, thus providing fair opportunities for all members of the organization.

Organizational Structure Design: Specialization and Coordination of Functional Structure

Organizational structure design reflects how a company manages specialization and coordination to achieve efficiency and effectiveness. Functional structures, a basic form of horizontal differentiation, group individuals based on similar skills or resource use, and are appropriate for small to medium-sized organizations focused on operational efficiency. However, as products or services grow and diversify, these structures face challenges of cross-functional coordination and high dependence on top managers, which slows decision making. Therefore, large organizations tend to shift to divisional structures to improve control and coordination, both within and across subunits. Types of divisional structures include product division structures that group by product line, multidivisional structures with autonomous divisions and their own supporting functions, and product team structures that consist of cross-functional teams to respond quickly to markets. In addition, geographic and market structures are used for organizations that are spread across different regions or serve different customer segments. In complex contexts, matrix structures introduce two lines of command (functional and product) to improve coordination, while multidivisional versions of the matrix are used for central and divisional integration. Finally, hybrid structures combine elements of multiple structures (product, geographic, market), and network structures rely on partnerships and outsourcing to create organizations that are leaner and more responsive to environmental changes.

Managerial Challenges and Implications

Each structure has its advantages and limitations. Managers must consider complexity, cost, speed, and coordination needs when selecting a structure.

Models of organizational structure Organizational structure

Using the conception of organizational structure as outlined by Weber as a medium through which corporate strategy connecting with implementing action plans, this paper shall analyze the following organizational structures: the simple structure, hierarchical system, functional organization, product organization, and the matrix structure. By the end of this section the pros and cons of both models will be weighed up.

Simple structure

Simple structure is the simplest form of hierarchy, which is mostly seen in small businesses where the owner is actively involved in the day-to-day business. The process of coordination is informal; there is no mediating position between the workforce and the proprietor. Many entrepreneurs will therefore hire senior managers who serve as proxies to the owners in case of absence (absence on leave or sickness). This set-up is thus referred to as the simple structure.

Hierarchical organization

As organizations grow there is the emergence of a hierarchical system as shown in the figure below. Hierarchies serve a multiplicity of purposes, but they tend to give meaning to a sense of power and the ability to make specific decisions. Traditionally, hierarchical structure analyses have been inspired by military structures, leading to the line and staff model common to most organisational structures. In military language the term line is used to refer to the official chain of command.

Hierarchical structure image

Functional organization

Functional organisation not only gives certain benefits but it also has significant drawbacks. The concentration of skills inside the organisation helps in the higher-order development, but it also contributes to some form of cultural homogeneity: the people have similar academic backgrounds to work on similar technical models, and do similar work within the same line of business. Even though these similarities might seem beneficial, the segregation of professional groups results in alienation of each other, incomprehensiveness, and tendency to conflict.

Product organization

The product organization is an important organizational form today. It is particularly useful in organizations with clearly separated product or service groups. Rapid changes in competitive conditions and technology give this form of organization a major advantage over the functional organization. The advantage of the product organization is that specialists in the organization can focus on a particular product group and make decisions quickly. In addition, the end result is much clearer than in a functional organization where responsibilities are often ambiguous. The above-mentioned organizational forms struggle when faced with broad and complex tasks that depend on cross-functional and cross-divisional cooperation. These tasks may be development tasks or demanding non-repetitive operations.

To handle such tasks, many organizations have experimented with various structural solutions, including the formation of project groups or groups across the established structure (basic organization). The use of language in these solutions is somewhat ambiguous. There are three types of organizations; ad hoc organization, project organization, or matrix organization. It is not a matter of fixing an organization, but of developing a dual-acting organization where most organizations are prepared to live with intersecting lines.

Matrix organization

The matrix principle or matrix organization can be called a theoretical model that can be realized in various ways. The matrix organization principle is shown in the figure below with the functions; logistics, production and sales and three products 1, 2 and 3. Note that only functions that directly affect logistics, production and sales are included in the figure, while other functions such as accounting are not included.

Example of a matrix organization

Industrial companies are often interested in increasing their competitiveness with a strong focus on logistics, quality, and cost business processes. To achieve

performance enhancement, such companies usually form task forces, which are usually staffed by staff analysts. Such arrangements may create conflict of interest between the auxiliary functions of the senior management and the organization in general. As a result, change efforts often fail to get adequate support and ownership, which creates a need to enforce them. Most organizations recognize that it is not possible to push goals in this sphere without sub-optimization, and that is why a matrix structure of the organization is occasionally desirable.

Companies that are still in operation might still form LQC (logistics, quality, and cost) groups, the mandate of which is to undertake analyses, initiate, and implement projects mainly in the realms of logistics, quality, and cost. The top functional areas have middle managers who have expertise in the respective areas to join the team. This type of arrangement, based on the principles of the matrix, guarantees the group a thorough knowledge in all the segments of the organization. The matrix organization is, therefore, a new innovation in organizational development that aims at enhancing competitiveness.

Theoretically, every group member must be allowed to spend a specified percentage of his work time on LQC. The LQC group has the role of selecting and initiating the projects and creating the sub-project working groups. In this type of an organization, a project must not be started without a sponsor, and a sponsor is at least one manager who agrees to lead the project through the corporate management hierarchy. This system will ease communication with budget holders and will not allow projects and spending to get out of control.

Organizational Structure Theory

The study of organizational structure can be methodically separated into 2 main areas, namely antecedents and outcomes. The antecedent domain deals with the form itself, an issue that has traditionally been discussed in the terms of bureaucracy (Weber, 1978). Despite many dimensions that define bureaucracy, there are always two aspects that are always most apparent and they include formalization and specialization. Bidwell (1965) applied this scheme to the distribution of labor among employees, the resultant hierarchical structure, and operations based on rules in the educational context. According to the scholars, this theoretical paradigm has three core elements: rules, which refer to formal artifacts that create order and allow coordination; routines, referring to repetitive behavioral patterns of organizational actors; and roles, which are the concrete work and role that are undertaken by an individual (Weichbrodt and Grote, 2010).

On the other hand, the outcome domain refers to the desired and undesired results of structural arrangements, policies, actions and divisions of labor. Following the pioneering study offered by Merton about the unintended consequences of social action (1936), scholars have investigated the ways in which the application of firm policies may have positive and negative outcomes. As a way of mitigating the unwanted effects, economists have suggested that explicit incentives, to promote behavioral change should be designed and comprehensive information systems should be integrated to assist in making rational decisions. Technological changes are often linked with structural changes, like the introduction of data analytics and artificial intelligence (Agasisti and Bowers, 2017), or novel ways of organizing human resources, including the spread of remote work, flexible work schedules, and suggestions of a four-day workweek (Petriglieri et al., 2019). Empirical studies conducted in the field of education have shown that structures can be both supportive and non-supportive in the particular organizational settings. Several investigations have shed some light on the direct and indirect results of test-based accountability in schools (Diamond and Spillane, 2016; Figlio and Loeb, 2011), alternative teacher preparation programs (Heilig and Jez, 2010), and voucher

systems (Daniels and Trebilcock, 2013). To give an example, Diamond and Spillane (2016) reported that performance among high-performing school students could be improved by accountability mechanisms but kept down by poor-performing school students, which demonstrates that the effect of policies depends on the preexisting organizational processes. Other empirical studies have shown that purposeful structural arrangements: that is, smaller schools, longer instruction days, integration of community programs, etc., could lead to significant gains in student achievement and graduation rates (Dobbie and Fryer, 2011). Together, these results highlight the shaping effect of formal elements of organizations on behaviors, processes, and outcomes.

By taking a structural approach, educational leaders can be better placed to critically analyse policies that entail rules, routines, and roles that can promote the performance and well-being of teachers and students. Through incentive and information attending, leaders can be able to spot chances of improving organizational efficacy. However, a structural perspective is also a warning tool, which highlights that a number of the most well-intentioned policies may lead to unforeseen outcomes. Leaders need to expect possible adverse effects and take proactive actions to curtail organizational damage, when developing change initiatives.

Organizational Structure Culture Theory

Cultural Theories Formal organizational structures often interact with informal aspects such as values, beliefs, and expectations. Organizational culture is often considered an umbrella concept for the informal, cultural, and symbolic aspects of an organization. Culture can refer to the shared knowledge structures that give meaning to human actions and interactions (Patterson, 2014) or the set of meanings that individuals use to explain their actions (Swidler, 1986).

At the organizational level, theories focus on organizational identity and climate. Organizational identity highlights the self-definition and distinctions that members of their group make in relation to their environment and other similar organizations. One way this plays out in education is through differences in different types of schools such as Montessori, Catholic, and international baccalaureate schools and through changes in their identities over time (Neumerski & Cohen, 2019). Research has also found that in the charter school sector, schools project different identities according to the racial and class demographics of their geographic location. In addition to identity, this perspective also highlights organizational climate, which refers to the quality and character of people's experiences often measured through feelings of safety, strength of relationships, growth in learning, and school connectedness. Empirical research on education documents predictors and consequences of positive school climate emphasizing how it is based on mutual respect, personal esteem, and competence and integrity (Bryk & Schneider, 2002).

Such climates have been suggested to have a positive impact on academic outcomes, and to moderate the relationship between interventions and outcomes. At the individual level, theories highlight sensemaking, which emphasizes people's perception of cues from the environment, interpretation of situations, and engagement through action. How individuals interpret and understand policies and situations can inform social action. Leaders can play a key role in meaning-making, as research suggests that principals can shape teachers' interpretations and adaptations to policies by participating in the meaning-making process and by creating conditions for teacher learning (Coburn, 2005). A key insight in this literature is how meaning-making occurs both personally and interpersonally, and how conditions can be created to facilitate policy interpretation, organizational learning (see section 6), and crisis management (Ganon-Shilon & Schechter, 2017).

Although much emphasis is placed on shared meaning-making in schools, some researchers have noted the notion of meaning-splitting when two interpretations emerge from the same phenomenon.

From a practical perspective, educational leaders can create ways to improve school culture and climate, including promoting prosocial and mental health activities among students, and setting expectations among educators. Leaders can also leverage the concept of organizational identity by engaging in activities that create, change, or reinforce collective distinctiveness. Finally, they have the power to shape decision-making by creating ways for voices to be heard collectively and for policies and situations to be interpreted and acted upon.

CONCLUSION

Organizational structure and design are crucial foundations in carrying out organizational activities effectively to achieve goals. Organizational structure regulates the formal relationships between tasks, authority, and responsibilities, while organizational design reflects how the structure is formed and adjusted based on internal (such as culture, size) and external (such as technology and environment) factors.

In an era of dynamic change, an open systems approach becomes important, emphasizing the interaction of the organization with the environment. This study discusses the main elements of organizational structure such as work specialization, departmentalization, chain of command, span of control, centralization-decentralization, and formalization. In addition, factors such as strategy, scale, technology, and environment also have a major influence on organizational design.

Various structural models - such as simple, functional, product, matrix, and network structures - each have advantages and challenges that need to be adjusted to the needs of the organization. The main challenges in organizational design include differentiation, integration, adjustment between centralization and decentralization, and the balance between standardization and flexibility.

It is also important to understand the relationship between formal structure and organizational culture, because values, beliefs, and organizational climate play a major role in determining operational effectiveness. Organizational leaders need to pay attention to structure, incentives, and cultural aspects to encourage adaptation and innovation.

By understanding the theory and practice of organizational structure and design, organizations can build systems that are adaptive, responsive, and able to survive rapid environmental changes.

Suggestion

Based on the studies that have been conducted, it is recommended that organizations routinely evaluate the structures and designs used, adjusting to technological developments, markets, and the external environment. Organizations also need to develop a flexible contingency approach to deal with uncertainty. In addition, it is important for managers to understand the influence of organizational culture on the implementation of structures, as well as integrating the values of cooperation and innovation to build an adaptive and sustainable organization.

Closing

Organizational design and structure are vital elements that influence the operational effectiveness and strategy of an organization. In an era of rapid change and global uncertainty, understanding the right, adaptive, and open system-oriented organizational structure is the key to long-term success. This review is expected to

be a reference for academics, practitioners, and policy makers in building and developing efficient and competitive organizations.

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