The Effect of Structure Formality on the Employees' Growth and Maturity based on the Model of Argris (Case Study: Financial and CreditInstitute)

1Sayyed Rasool Aghadavood, 2Sayyed Mohammad Reza Davoodi and 3Abdolhamid Fardafshri

1Department of management, Delughan Branch, Islamic Azad University, Isfahan, Iran
2Department of management, Dehaghan Branch, Islamic Azad University, Isfahan, Iran
3Department of accounting, Dehaghan Branch, Islamic Azad University, Isfahan, Iran

ARTICLE INFO

Article history:
Received 25 September 2014
Received in revised form 26 October 2014
Accepted 25 November 2014
Available online 29 December 2014

Keywords:
organizational structure formality, employees’ growth and maturity, employees’ activities, employees’ autonomous, employees’ different behaviors

ABSTRACT

Objective: The purpose of this study is to investigate the effect of structure formality on the employees’ growth and maturity based on the model of Argris in financial and credit institute. Materials and Methods: The statistical population of this study includes all employees of financial and credit institute. The present study is a descriptive-survey research. In order to collect the research data, a researcher-developed questionnaire was employed. The validity of questionnaire was investigated through face validity. On the other hand, reliability of questionnaire was investigated through Cronbach’s Alpha Coefficient. The coefficient was .82 for our questionnaire by questionnaire reliability was confirmed. The research data was analyzed through different statistical methods in the SPSS. Results: The findings revealed that structure formality does not influence employees’ time vision. This finding implies that the institute managers and officers should concentrate on the related suggestions for improving employees’ growth and maturity. Conclusion: Based on another part of our findings, structure formality influences employees’ activities, autonomous, different behaviors, deep interests, freedom, and awareness.

INTRODUCTION

Nowadays, human resource is considered as the main asset of organizations by which organizations can achieve competitive advantage. It also is considered as one of the most valuable resources and capitals of any organization. On the other hand, maturity is a new contrast which is considered as a superior solution in organizations. It has been confirmed by experts of management science [2]. According to Argris, employees’ immaturity is one of the main internal characteristics of organizational environments. Indeed, organizational structure refers to designing systems by which all departments can be coordinated and integrated. As a result, effective organizational communications will be secured [12]. In other words, structure is an important process in achieving organizational goals and lack of integrated organizational structure is the main shortage in achieving organizational efficiency. Finally, it results in lack of sound methods in organizations. In addition, organizational structure refers to division of job and classification of responsibilities and functions [19]. In other words, organizational structure is the foundation of roles distribution in organization and its operational and decision-making mechanisms. In effect, such operational and decision-making mechanisms play as a basis for regulations, organizational procedures, and communicational paths of day-to-day efforts [2]. Organizational structure refers to designing systems by which all activities of departments will be coordinated and integrated. As a result, effective organizational communications system can be secured [11]. Formality refers to the frequency of documents such as manuals of organizational policies, processes, and job descriptions. On the other hand, everybody experience different levels of maturation and accomplishment in different steps of growth and interaction between genetic and environmental factors.

Argris, in his theory of maturity and immaturity, refers to the characteristics of mature organizational members such as enabled, being independent and autonomous, different modes of action, a deep interest, breadth, function not only, consciousness, and restraint. He believes that identity of mature human personality is not consistent with characteristics of bureaucratic organizations. The reason is that most organizations ignore...
maturity aspects of employees and behave them as immature child. Employees’ maturity starts from subjective assumptions and evolve with change in attitudes and opinions. Although mental change is difficult to be occurred, but it is considered as a shortcut in organizations. This means that mental change reduces costs of variation in different organizational aspects such as technology, structure, product, and processes considerably. In some cases, it results in new investments. In subjective revolution, it is inevitable to change employees’ knowledge. Personal maturity results in quality of self-efficiency in employees. On the other hand, self-efficiency is a constructive potential by which employees’ cognitive, social, affective, and behavioral skills can be managed effectively. Having past skills and knowledge is not a good predictor for future performance, but it is the employees’ believe about their abilities that influence their performance [1]. Nowadays, human resource importance is developing increasingly. Such an importance not only derives from fundamental role of human resource in organizations, but also it derives from organizations’ effect on other organizational factors. On the other hand, valuable experiences of developed countries reveal that sound systematic planning is one of the main effective factors on organizations’ economic development. In this regard, human resource is one of the main factors. However, it should be noted that human resource is one aspect of development cycle which is influenced by structural, legal, technological, and behavioral factors from one hand. On the other hand, development in the productivity of such factors can increase productivity of other factors. As a result, development of total productivity results in development of national and society productivity [13].

Organizational success depends on appropriate allocation of tools, facilities, monetary funds, materials, and human resources. When organizational success is possible that organizations can utilize employees’ skills, abilities, individual and collective characteristics in accordance with organizational goals. Since organizational structure form frame of organizational decisions and processes, it is considered as a primary stimulus in this area. In other words, organizational structure refers to division of labor and coordination between organizational members and departments in achieving its goals. In this regard, formality is an important dimension of organizational structure. Indeed, formality is a measure of standardization. Standardization leads that employees’ input is involved in the job rarely. Such standardization not only leads that organizations eliminate behavioral alternatives in employees, but also eliminate necessity of considering behavioral alternatives by them in employees. Actualization of employees’ maturity requires mature processes and structures. Sometimes, inappropriate structures avoid effects of mental changes. This is why that it is necessary to change organizational processes and structures continuously. This means that structure should be creative and simple. Realization of such a goal is possible through different methods such as reengineering, change in paradigm, elimination of inappropriate efforts, and rationalization of methods and structures. If organizations can be designed so exactly that develops its efficiency and motivation, it will be possible to achieve organizational goal. This is why that the present study was aimed to investigate the effect of structure formality on the employees’ growth and maturity based on the model of Argris in financial and credit institute. According to Argris, the main reason of employees’ immaturity is embedded in identity of formal organization. He points out that organizations are developed and achieving organizational goals objectives. As a result, organizations attempt to cultivate employees in accordance with organizational jobs [4].

**Conceptual model and hypotheses development:**

![Conceptual model and hypotheses development](image)

**Fig. 1:** the conceptual model of study.

**Literature:**

IzadiYazdanabadi investigates the construction and validity of measurement scale of employee maturity in the TarbiatMoalem University of Tehran. He found that the questions of this measurement scale can be categorized in four groups including mental maturity, psychological maturity, emotional maturity, and job maturity [16]. Hatampor recognizes needs of employee organizational maturity based on the model of employee empowerment in the public hospitals of Isfahan city. He found that the average of employee skills and empowerment of physician department of almost hospitals is more than average level in terms of employment.
In addition, this average is less than average level in the educational, development, and workplace areas [15]. Bakshi et al. (2006) investigate the issue of determining maturity of manpower in the can equipment companies based on the model of employee competency maturity. They found that a large part of studied companies concentrate on the implementation of management systems based on the customer necessity. This not only makes the systems inefficiency, but also avoids their attention from manpower as the main part of the organization [7].

SayyedJavadin et al. (2005) investigate leadership styles and organizational maturity in the educational hospitals of Ardebel University of medical sciences. They found that the managers of the hospitals have imperious leadership style. Also they found that they chose leadership styles by themselves[22]. A study has been conducted in the hospitals of Tehran University of medical sciences for examining attitude and performance awareness of managers of conflict. The findings of this study revealed that there is a significant positive relationship between organizational structure and level of employee conflict. Also the findings showed that there are significant relationships among three dimensions of organizational structure (complexity, formality, and concentration) and level of employee conflict [3]. BadriPoshite (2005) investigates the relationship between employee job conflict and organizational structure in the public-sector organizations. He found that 1: there is a significant relationship between employee job conflict and organizational structure; 2: the top organizations with higher levels of organizational hierarchy and more physical locations experience higher levels of job conflict; 3: increase in the rules, regulation, and procedures results in higher levels of job conflict [6]. Moradmand (2010) investigates the relationship between teachers’ perception of organizational structure and their job-related stress in the high schools of Isfahan city. He found that there are significant relations among formality and complexity with organizational structure of schools. Another part of his findings revealed that there is not any significant relationship between concentration of schools and job-related stress of teachers [21]. NekoyiMoghadam (2008) examines the relationship between establishment of management information systems and organizational structure. The results of his study revealed that there is a significant positive relationship between establishment of management information systems and organizational structure. Also a significant negative relationship was observed establishment of management information systems and formality [20]. A study has been conducted in terms of model of electronic government maturity through integrated maturity model. This study was aimed to develop a framework for evaluating maturity of electronic government which is developed based on the Intellectual Capital (IC) and Capability Maturity Model Integrated (CMMI). The framework of this study consists of five inputs (human, structural, relational, and information technology investment) and five maturities (web existence, interaction, integration, and continuous improvement). The model was evaluated through two models including intellectual capital management and integrated capability mature. The findings of this study revealed the importance of intellectual capital management in the electronic government and also consider it as a good tool for evaluating maturity level. The findings of this study also showed that evaluation of input factors can inform governments of prioritization of strategies and resources [17]. Kurtis (2003) in his study “the experiences of PCMM Model application in institute of software engineering” found that the benefits of PCMM Model depend on the maturity level. Indeed, organizational with higher levels maturity report most consideration of morality of manpower and little employees’ authority [10]. Khatibian (2010) in his study “measurement of maturity of knowledge management in the organizations” attempt to develop a model for measuring maturity of knowledge management in the organizations. The authors evaluated knowledge management models and then develop a model with 8 items and 42 variables [18]. A study has been conducted for examining the effect of organizational structure on the ability of job performance, job satisfaction, and cooperative behaviors in 2007 by Kessler. He found that the college members worked in the most organic workplaces (high complexity and low formality) have more satisfaction.Nasarudin et al. (2006) in their study “organizational structure and climate as the most powerful predictors of job stress” investigate the effect of organizational structure (formality and concentration) and organizational climate on the job stress in Malaysia stock exchange. They found that formality and concentration play an important role in the job stress (Barney,1992). Caruana et al. (1998) investigate the effect of formality and concentration on the entrepreneurship in the export companies. Their findings revealed that there is a significant correlation between entrepreneurial behavior with formality and concentration. Generally, it can be concluded that higher levels of concentration in the organization results in lower levels of entrepreneurship. In addition, higher levels of formality have positive relationship with organizational entrepreneurship [5]. Marshal et al. (2002) investigate the relationship between organizational structure and justice. For this purpose, the relationship between dimensions of organizational structure and organization size with justice were studied in this article. They found that the hypotheses are supported and it can be said that dimensions of organizational structure influences procedural, distributive, and interactive justices [9].

Hypotheses:
The hypotheses of the study are presented in the following section.
1. Structure formality influences employees’ activities significantly.
2. Structure formality influences employees’ autonomous significantly.
3. Structure formality influences employees’ different behaviors significantly.
4. Structure formality influences employees’ deep interests significantly.
5. Structure formality influences employees’ time vision significantly.
6. Structure formality influences employees’ freedom significantly.
7. Structure formality influences employees’ self-awareness significantly.

Research methodology:
The present study is a practical research from purpose view and is a descriptive-survey one from research methodology perspective. A researcher-developed questionnaire was used for collecting the research data. The questionnaire consists of 39 questions with Likert five-point scale. The literature was reviewed through library method and then the questionnaires were distributed among respondents. The statistical population consists of 93 employees. Since the population size is limited, census method was used rather than sampling. In other words, all of population members were surveyed. In order to investigate validity of questionnaire, face validity was used. On the other hand, Cronbachs’ Alpha Coefficient was employed for examining reliability of questionnaire. In order to this, 30 primary questionnaires were distributed and then the coefficient was calculated. The results of Cronbachs’ Alpha Coefficient are presented in the following section. In order to analyze the research data and test the hypotheses, both descriptive and inferential statistics were used in the SPSS.

Table 1: the results of Cronbachs’ Alpha Coefficient.

<table>
<thead>
<tr>
<th>Components</th>
<th>Questions</th>
<th>Cronbachs’ Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure formality</td>
<td>1-10</td>
<td>0.79</td>
</tr>
<tr>
<td>Employees’ activities</td>
<td>11-14</td>
<td>0.80</td>
</tr>
<tr>
<td>Employees’ autonomous</td>
<td>15-18</td>
<td>0.81</td>
</tr>
<tr>
<td>Employees’ different behaviors</td>
<td>19-22</td>
<td>0.76</td>
</tr>
<tr>
<td>Employees’ deep interests</td>
<td>23-27</td>
<td>0.79</td>
</tr>
<tr>
<td>Employees’ time vision</td>
<td>28-31</td>
<td>0.83</td>
</tr>
<tr>
<td>Employees’ freedom</td>
<td>32-35</td>
<td>0.83</td>
</tr>
<tr>
<td>Employees’ self-awareness</td>
<td>36-39</td>
<td>0.81</td>
</tr>
<tr>
<td>Overall coefficient</td>
<td></td>
<td>0.82</td>
</tr>
</tbody>
</table>

Findings:
In order to use statistical methods, it is inevitable to investigate normal distribution of research data. For this purpose, Kolomogrov-Smirinov test was employed. The results of this test are presented in table 2.

Table 2: results of Kolomogrov-Smirinov test.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Average</th>
<th>Standard deviation</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure formality</td>
<td>3.3968</td>
<td>1.29434</td>
<td>0.07</td>
</tr>
<tr>
<td>Employees’ activities</td>
<td>3.1645</td>
<td>1.29637</td>
<td>0.18</td>
</tr>
<tr>
<td>Employees’ autonomous</td>
<td>2.3602</td>
<td>1.55892</td>
<td>0.17</td>
</tr>
<tr>
<td>Employees’ different behaviors</td>
<td>3.3468</td>
<td>1.26514</td>
<td>0.21</td>
</tr>
<tr>
<td>Employees’ deep interests</td>
<td>2.3844</td>
<td>1.31699</td>
<td>0.41</td>
</tr>
<tr>
<td>Employees’ time vision</td>
<td>3.2414</td>
<td>1.26608</td>
<td>0.09</td>
</tr>
<tr>
<td>Employees’ freedom</td>
<td>3.0274</td>
<td>1.32830</td>
<td>0.11</td>
</tr>
<tr>
<td>Employees’ self-awareness</td>
<td>3.3091</td>
<td>1.27016</td>
<td>0.32</td>
</tr>
</tbody>
</table>

The results of hypotheses are presented in the following section. The first hypothesis states that structure formality influences employees’ activities significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 3.

Table 3: the results of first hypothesis.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficient</th>
<th>Standardized coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Constant</td>
<td>3.128</td>
<td>.297</td>
<td>10.530</td>
</tr>
<tr>
<td></td>
<td>Formality</td>
<td>-.217</td>
<td>.102</td>
<td>-.217</td>
</tr>
</tbody>
</table>

As the results of table 3 showed, there is a significant negative correlation between structure formality and employees’ activities. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.21. It can be said that structure formality influences employees’ activities significantly.

The second hypothesis states that structure formality influences employees’ autonomous significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 4.
As the results of table 4 showed, there is a significant negative correlation between structure formality and employees’ autonomous. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.340. It can be said that structure formality influences employees’ activities significantly.

The third hypothesis states that structure formality influences employees’ different behaviors significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 5.

As the results of table 5 showed, there is a significant negative correlation between structure formality and employees’ different behaviors. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.459. It can be said that structure formality influences employees’ different behaviors significantly.

The fourth hypothesis states that structure formality influences employees’ deep interests significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 6.

As the results of table 5 showed, there is a significant negative correlation between structure formality and employees’ deep interests. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.315. It can be said that structure formality influences employees’ deep interests significantly.

The fifth hypothesis states that structure formality influences employees’ time vision significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 7.

As the results of table 5 showed, there is not any significant negative correlation between structure formality and employees’ time vision. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.112. It can be said that structure formality does not influences employees’ time vision significantly.

The sixth hypothesis states that structure formality influences employees’ freedom significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 8.
As the results of table 8 showed, there is a significant negative correlation between structure formality and employees’ freedom. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.57. It can be said that structure formality influences employees’ freedom significantly.

The seventh hypothesis states that structure formality influences employees’ self-awareness significantly. In order to test the hypotheses, regression analyze method was employed. The results of this hypothesis are presented in table 9.

Table 9: the results of seventh hypothesis.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficient</th>
<th>Standardized coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Constant</td>
<td>3.087</td>
<td>.284</td>
<td>10.872</td>
</tr>
<tr>
<td></td>
<td>Formality</td>
<td>-.299</td>
<td>.098</td>
<td>-.305</td>
</tr>
</tbody>
</table>

As the results of table 8 showed, there is a significant negative correlation between structure formality and employees’ self-awareness. Based on the significance level, the hypothesis is supported. On the other hand, the Beta is -0.305. It can be said that structure formality influences employees’ self-awareness significantly.

Ranking research variables:

In order to rank the effective factors on structure formality, Freedman test was employed. The results of this test are presented in table 10.

Table 10: the results of Freedman test.

<table>
<thead>
<tr>
<th>Components</th>
<th>Average rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees’ activities</td>
<td>4.27</td>
</tr>
<tr>
<td>Employees’ autonomous</td>
<td>3.98</td>
</tr>
<tr>
<td>Employees’ different behaviors</td>
<td>3.94</td>
</tr>
<tr>
<td>Employees’ deep interests</td>
<td>3.95</td>
</tr>
<tr>
<td>Employees’ time vision</td>
<td>3.98</td>
</tr>
<tr>
<td>Employees’ freedom</td>
<td>3.99</td>
</tr>
<tr>
<td>Employees’ self-awareness</td>
<td>3.89</td>
</tr>
</tbody>
</table>

Finally, analysis of variance (ANOVA) was employed for investigating the relationship between employees’ demographic characteristics and demographic variables. The results of this test revealed that there is not any significant relationship between employees’ demographic characteristics and demographic variables.

Conclusion:

This study was aimed to examine the effect of structure formality on the employees’ growth and maturity based on the model of Argris in financial and credit institute. The statistical population of this study includes all employees of financial and credit institute. In order to collect the research data, a researcher-developed questionnaire was employed. The results of first hypothesis revealed that structure formality influences employees’ activities significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Considering functions and development of functions in accordance with job description
- Allocating sufficient time for learning necessary skills
- Developing activities control based on the goals

The results of second hypothesis revealed that structure formality influences employees’ autonomous significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Delegating sufficient authority for employees in doing their functions
- Providing employees with good opportunity to achieve their necessary information
- Securing employees that the job activities are done based on their suggestions and advices

The results of third hypothesis revealed that structure formality influences employees’ different behaviors significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Employees should behave collectively to modify their thoughts and opinions in the group discussions
- Employees should communicate regardless of their different cultural, economic, and social class characteristics

The results of fourth hypothesis revealed that structure formality influences employees’ deep interests significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Considering appropriateness between job and employees
- Considering the effect of decisions on the employees’ spirit
- Supporting employees’ demands for providing them with learning opportunities
The results of fifth hypothesis revealed that structure formality does not influences employees’ time vision significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Defining necessary time of achieving job goals and vision and encouraging managers and officers to achieve job goals and visions.
- Considering people’s perceived image of institute and its importance
- Considering social issues such as green environment issues and so on
- Considering growth, survive, and profitability of institute

The results of sixth hypothesis revealed that structure formality influences employees’ freedom significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Providing employees with sufficient freedom in job decision making areas
- Providing employees with sufficient freedom in recognizing necessary skills in doing day-to-day functions
- Providing employees with sufficient freedom in selecting different motivations

The results of seventh hypothesis revealed that structure formality influences employees’ self-awareness significantly. Based on the results of this hypothesis, the following empirical suggestions are presented.

- Considering systems for measuring gap between existing and ideal performance
- Informing employees in terms of job importance.

REFERENCES


