

## **The Fit between Strategic Choice and Organizational Structure and their Impact on the Effectiveness of the Organization: Study of a Set of Medium and Large Institutions in Algeria**

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### **Abstract**

*The directions that were brought by the contingency school which are based on the principle that there is no ideal and unified way in managing the organizations, as well as understanding the interactive relationships between the parts of these organizations and its external environment. These latter can help them to make strategic decisions ,and choose the appropriate alternatives,for the final goals that the organization is always seeking to achieve and succeed in light of its own design. This study sheds light on the relationship between fit(strategy/structure) and organizational effectiveness in the organization, and measures the impact of this fit on the institution's effectiveness. The survey was conducted on a sample of 73 medium and large institutions in the northwest of Algeria, where we found that there is a relationship between strategy and organizational structure, and in framework fit (strategy/structure), and that the institutions achieve the highest effectiveness through this fit in contrast to institutions that are without fit, on the grounds that the institution is the framework which defines within it the strategy to achieve its goals.*

**Keywords:** strategy, organizational structure, organizational effectiveness, fit

**JEL Classification:** L22, L25

### **1. Introduction**

The theoretical and practical research confirmed that the organization is an opened system which can't be separated from the surrounding environment in order to ensure its growth and survival, every organization whatever its size cannot afford to develop a strategy without estimation, analysis, and evaluation of the elements of its internal and external environment together.

In this regard, we find Laurence & J. Latch (1967) "they emphasized that the external environment defines the basic position of the organization"(Lasary,2006) and identifying the internal and the external environment which is determining the infrastructure of strategic management, where that strategic management is a set of decisions and administrative systems which define the organization's mission and vision in the long term in light of their competitive advantages, and seek to implement it through the study, follow-up and evaluation of the environmental opportunities and threats and their relationship to the organizational strength and weakness. From this, the purposes of this article are to identify the most important variables and contingency factors that affect on business design's decisions and that contribute to the construction of a theoretical framework of the fit problem between strategic choice and the organizational structure, as well, its impact on the organization's effectiveness. Through the following problematic which is apposed: To what extent does the fit between the strategic choice and the organizational structure affects the effectiveness of the Algerian economic institutions?

In order to provide answers to our research problem, we chose deductive approach\*, to identify concepts related to strategy, organizational structure, as well as to organizational effectiveness, while in the practical side we had conducted a survey through the sample, in order to shed light on problematic and clarify its aspects by dropping the theoretical study on the practical reality.

### ***Literature Review***

Organizations are interested in analyzing and assessing all internal factors in order to determine the strategic one, and be able to analyze the external environment to identify existing risks and opportunities, allowing it to make strategic decisions and to choose the appropriate alternatives for the ultimate goal that the organization always strives to achieve and succeeds in the light of its own design. Thus its selection is being true for general goals (represented on the strategy), where, that strategy needs structural framework a well designs to implement them. What it can be said that there is a specific and unified relationship between strategy and organizational structure.

We were able to identify several researchers, including: Chandler (1962),Christensen, Andrews and Guth (1965), Schendel and Hatten (1972), Child(1972), Glueck (1976), Meiner and Steiner (1977), Mintzberg(1979), Rumelt (1979), Quinn (1980), Andrews (1980), Chaffee (1985), Argyris (1985), Porter (1985),Mintzberg(1987), Porter (1996), Macmillan and Tampoe (2000), Daft (2001), Olivier (2009), Abate (2009), Qihong and Alis (2009), Organization's strategy as entrance to the changing and organizational development, where Jones (1999) sees that the organization's failure to adapt organizational structure and strategy in framework of fit with cases of the changing which going by them will inevitably lead to a deterioration and death of this organization (Jones, 1999).

In light of the concepts and approaches that were brought by the contingency theory which is based on that there is no ideal and unified path in managing the organizations, this study was bringing to shed light on the relationship between fit(strategy/structure) and organizational effectiveness in the organization, and measured the impact of this fit on the organization's effectiveness , where we did not find any previous attempt in the Algerian context for addressing these variables (fit (strategy/structure) with organizational effectiveness) within a single model, despite its importance and vitality, therefore, this study is an attempt to recognize and know the importance of these variables and their components and characteristics, as well as identify the nature of the relationship existing between them, where the absence of fit that will lead to low performance or poor performance, this is what was embodied in this study emphasized on what brought in previous studies.

To cover these variables, the strategy has been dealt with in terms of concept, a group of thinkers, including Chandler A, 1962, McMillan, 1979, Arnoldo, Hax, & Majluf, 1986, Katsanis, 1998, They consider strategy as a mean of establishing the organizational purpose, in terms of its long-term objectives, action programs, and resource allocation priorities, where strategy is the determination of the basic long goals of an enterprise and the adoption courses of actions and the allocation of resources which are necessary to carry out these goals, and therefore strategy is the decisions that involve the rational use of resources to achieve the goals and plans of the institution on long-term. In light of the identification of opportunities and threats to the external environment and assessment of the strengths and weaknesses of the internal environment to create sustainable competitive advantage.

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\*According to (Omar Aktouf, 1987: 29),deductive approachis to analyze from the private to the public, where is being read specific practical reality using the specific general theoretical framework beforehand.

Right up to determine the model of Miles & Snow, (1978), Where confirmed many intellectuals, including Raymond E. Miles & Charles C. Snow,(1978), Donald C. Hambrick, (1980), John A. Parnell & Michael Menefee, (1995), Fernando A. P. Gimenez, (2000 ), Joao Ferreira, (2002), Wayne S. Desarbo & al (2005), Nancy Da Silva & al, (2010), Richard Lacoursiere & Josee ST-Pierre, ( 2012), Vladimir Gnjidić (2014), Kerbouche. M & al, (2015), That strategies Miles & Snow (1978) represented in four types of strategies which are: Defenders, Analyzers, Prospectors, and Reactor. And that have been used in the current study, where each type has its own and unique strategy to relate to its chosen market and each has a particular configuration of technology, structure, and process that is consistent with its market strategy. According to Zahra & Pearce (1990) the typology has been used in predicting organizational performance and according to the Hambrick (2003) he finds that the typology was introduced over 25 years ago and is the framework that has been most enduring and most often used. The point of view Kabanoff & Brown (2008)about this typology sees that it is parsimonious and rich in the detailed descriptions of each strategic type, the key dimension underlying Miles, and Snow's (1978) typology according to Hambrick (1983) is the rate at which an organization alters its products or markets.(Abernethy&al, 1994) · (Nancy Da Silva &al, 2010).

It was also highlighted on one of the most important organizational variables that are compatible with the organization's strategy and the organizational structure, it was identified the concept of the latter by a group of thinkers, including A. Chandle (1962), P.F. Drucker (1974), P.N. Khandwalla (1977), Livian (2008), H. Mintzberg (1994), J. D. Thompson (1999), P. Nunes (2007),where known P. Drucker (1974)structure s a set of resources to achieve the objectives and goals of the organization (F. Soutenain & P. Farcet, 2007).The opinions of writers and researchers have diverged about the dimensions of the organizational structure since that identified by Weber(1947), namely: the hierarchy of power, the division of labor, and formal rules and procedures(Hatch, 1997), and those who identified by each of Miller (1988), Hatch (1997), Daft (2001), Kerbouche (2014), (D.Miller, 1988),(Hatch M. , 1997),(Daft, 2001),(Kerbouche. M, 2014), and it is the outcome of these studies. (Start another paragraph here). we can say that the number of structural dimensions used in those research and studies and that takes the relative importance is the three dimensions: formalized, centralized, complexity (Hall, 1972), (Koontz, 1986), (Robbins, 1988), (Daft R. , 1988), (Robbins S. , 1990), (Hodge, 1991), (Frédéric M. Jablin & al, 1992), (Hatch M. , 1997), (Daft, 2001), (Eun Jin Hwang, 2005), (Rhys Andrews &al, 2008), which has been relied upon in the current study. where these dimensions determines the type of structure weather was organic or mechanic based on the opinion of Hatch (1997),it has been developed mixed structure as a kind of organizational structure which is located between the mechanic structure and organic structure based on the opinion of Burns & Stalker (1961), where he stated that there are administrative systems combine the characteristics of mechanism and characteristics of organic (Burns & Stalker, 1962)

The third variable of adjustment, was introduced by a group of writers and thinkers including Chandler (1962), Rumelt(1974),Miles, Snow, and Meyer (1978), Van de Ven (1979), Schondel and Hoffer (1979),Andrews (1980), Miller (1981), Chakravarthy (1982),Venkatraman and Camillus (1984), Drazin and Van de Ven (1985),Venkatraman (1989),Venkatraman and Prescott (1990),R. T. Hamilton (1992), Deepika Nath & D. Sudharshan, (1994), Vorhies and Morgan (2003), Yin, Xiaoli & Zajac, Edward J, ( 2004), Michel. Kalika & Jouirou. Nihel, (2004), Shichun Xu & S.Tamer Cavusgil, & J. Chris White, (2006), Scott W. Geiger & William J. Ritchie, Dan Marlin, ( 2006), Constantine S. Katsikeas & Saees Samiee, & Marios, (2006), Larry Yarbrough & Neil A. Morgan & Douglas W. Vorhies, (2011) (fool stop and nor comma, start a new paragraph here) according to what was brought by Miller (1986) and Miles & Snow (1994) is that alignment or fit between these different organizational attributes is critical to organization's performance (Scott W. Geiger & William J. Ritchie, Dan Marlin, 2006). At the end of the theoretical framing of the variables of the study, it was to talk about organizational effectiveness, where Costa (2005), Daft (2013) identified organizational effectiveness as the degree to which an organization achieves its goals (Costa Eleni, S., 2005), (R.Daft ,2013), where it was relying on the model of Quinn and Rohrbaugh (1981)to measure the effectiveness of the organization through a four-pronged: Focus on the individuals and flexibility, on the organization and flexibility, on the organization and control, on the individuals and control, and it includes all the axes on a number of indicators. Then came the study of Black and Buelens (2008) who emphasize the same standards that brought by Quinn and Rohrbaugh. Based on the foregoing, the study model was built to represent a simple form of the relationship between strategy and organizational structure in framework fit, then study the impact of fit (strategy/structure) on the organizational effectiveness of Algerian economic institutions under study.

## Empirical Study

### Selection of the sample

To determine the size of the sample, Roscoe (1975) confirmed that the sample that is larger than 30 units shows ensures to the researcher's many benefits of theory, and within these limits (30-500), it is recommended to use a sample size about 10% of the targeted community (Robin Hill, 1998). Therefore, our sample size will be 80 medium and large institutions of the total of both of medium and on the North-West level of Algeria, which includes the following Wilaya: Tlemcen, Oran, Mascara, Relizane, Mostaganem, SidiBel Abbes and Ain Temouchent (Collection statistics, 2012). Our sample consists of seven different ones corresponding to the seven cities mentioned above\*. Therefore, the study sample is the stratified one, and it is withdrawn in a random simple manner\*\*. We distributed 80 questionnaires based on the proportion of the number of medium and large institutions in each state and we (where is the verb here?) collected only (73), which represent 91.25% of total questionnaires.

**Table 1: The number of questionnaires that were distributed and retrieved**

| Cities         | The number of questionnaires distributed | Number of questionnaires Collected | The proportion of the questionnaires collected from each city |
|----------------|--|------------------------------------|---|
| Tlemcen        | 11                                       | 10                                 | 90,91   |
| SidiBel Abbes  | 8  | 7                                  | 87,50   |
| Mostaganem     | 6  | 5                                  | 83,33   |
| Mascara        | 6  | 5                                  | 83,33   |
| Oran           | 40                                       | 37                                 | 92,50   |
| Ain Témouchent | 4  | 4                                  | 100,00  |
| Relizane       | 5  | 5                                  | 100,00  |
| Total          | 80                                       | 73                                 | 91,25   |

**Source: Prepared by the researcher**

### The variables of study

To identify the strategic and structural variables that Algerian medium and large enterprises are characterized by, and their impact on organizational effectiveness, we focused on three variables and each variable has a sub-variables as shown in the table (below). To measure these variables, we found it valuable to use Likert scale five level as follows 1. Strongly Disagree, 2- Disagree, 3-neutral, 4. Agree, 5. Strongly Agree (James Dean Brown, 2011), (Bertram, 2015), (John M. Linacre, 1999).

**Table 2: The study variables**

| Variable                   | sub-variables                       |
|----------------------------|-------------------------------------|
| Strategic Choice           | Defender Strategy                   |
|                            | Prospector Strategy                 |
|                            | Analyzer Strategy                   |
|                            | Reactor Strategy                    |
| Organizational structure   | Formalization Degree                |
|                            | Degree of centralization            |
|                            | The degree of complexity            |
| Organization effectiveness | Morale                              |
|                            | Qualifying workers                  |
|                            | Planning and growth                 |
|                            | Stability and production efficiency |

**Source: Prepared by the researcher**

\* It has been relying on this classification in accordance with the administrative division of the National Bureau of Statistics.

\*\* The sample stratified according to (Claire Durand, 2002) is to choose the part depending on certain characteristics of the community (Sex, region, situation, and age, etc...). According to, (Dussaix et Gros Bras 1994) the stratification is used to reduce the margin of error, and be allowed to monitor the cost.

*Reliability analysis*

The purpose is to verify the existence of a high degree of internal cohesion for the variables under study, which means, to what extent these items can achieve similar answers if they are used in another period of time? (Robert F.DeVellis, 2012). Their liability parameters incoming in the table (03) accepted in management and behavioral studies as the minimum acceptable is (0.60) (Mudisk, et al, 1990), based on (Eun Jin Hwang, 2005) regarding to (Schuessler, 1971) A good coefficient of reliability is considered to have a Cronbach alpha value greater than (0.60) (Hair et al., 1998: 135), Reliability coefficients estimates between (0.60) and (0.70) represent the minimum acceptable reliability, therefore we found that (Eun Jin Hwang, 2005) identified Cronbach's alpha reliability coefficient of (0.60) or higher is acceptable in studies (Eun Jin Hwang, 2005). (Lance et al, 2006), McAllister and Bigley (2002) ·Spector et al. (2002) ·Schilling (2002) ·Considered that good reliability coefficient the one that his value equal or greater than (0.70), and this according to a study made by Nunnally (1978) and confirmed by Rothbard and Edwards (2003) (Rothbard, N. P., & Edwards, J. R. 2003, p713).

**Table 3: Interpretation of reliability test results**

| <i>Sub-variables</i>            | <i>Cronbach Alpha (current study)</i> | <i>Cronbach-Alpha (previous studies)</i> | <i>Based on previous studies</i>                           |
|---------------------------------|---------------------------------------|--|--|
| <i>Defender Strategy</i>        | 0,929                                 | (0.83)                                   | <i>Nunnally, J. C. 1978)) (Rhys Andrews and all, 2008)</i> |
| <i>Prospector Strategy</i>      | 0,935                                 | (0.82)                                   | <i>El Yasseri(2005)</i>                                    |
| <i>Analyzer Strategy</i>        | 0,947                                 | (0.954), (0.85)                          | <i>Venkatraman's 1989, Kerbouche 2014, El yasiri 2005</i>  |
| <i>Reactor Strategy</i>         | 0,744                                 | (0.66)                                   | <i>(Rhys Andrews and all, 2008)</i>                        |
| <i>Formalization Degree</i>     | 0,775                                 | (0.65)                                   | <i>(Miller&amp;Droege 1986)</i>                            |
| <i>Degree of centralization</i> | 0,543                                 | (0.82)                                   | <i>(Miller&amp;Droege 1986)</i>                            |
| <i>The degree of complexity</i> | 0,654                                 | (0.85)                                   | <i>(Miller&amp;Droege 1986)</i>                            |
|                                 | 0,830                                 | (0.84)                                   | <i>ElMohamadi(2011)</i>                                    |

**Source: Prepared by the researcher**

Through the table (03) we found that Cronbach Alpha of the current study is compatible with Cronbach Alpha of the previous studies.

- *An Empirical Study of the strategic choice, organizational structure, and organizational effectiveness*
- *Order of importance according to the coefficient of variation of the strategic choice variable*

In order to measure this variable, we chose four dimensions of strategic choice for Milles & Snow (1978) (Prospectors, Defenders, Analyzers, and Reactor.). Table (04) shows the variation coefficients and arrangement strategies.

**Table 4: Order of importance according to the coefficient of variation of the strategic choice variable**

| <i>Strategy</i>    | <i>Arithmetic mean</i> | <i>standard deviation</i> | <i>Coefficient of variation</i> | <i>Arrangement</i> |
|--------------------|------------------------|---------------------------|---------------------------------|--------------------|
| <i>Prospectors</i> | 2,107                  | 1,171                     | 0,555                           | 4                  |
| <i>Defenders</i>   | 2,829                  | 1,276                     | 0,451                           | 3                  |
| <i>Analyzers</i>   | 3,591                  | 0,689                     | 0,191                           | 1                  |
| <i>Reactor</i>     | 2,287                  | 0,967                     | 0,422                           | 2                  |

**Source: prepared by researchers based on SPSS output20**

For the purposes of the order of the importance of strategic choice variables, the coefficient of variation of the arithmetic mean and the standard deviation were taken into account, and Table (04) shows that the strategic analyze was ranked first by a difference factor equal to (0,191). This result can be returned to that institutions under study adopted. This strategic choice (strategic analyst) because it is located between the prospector strategic choice and the defender strategic choice, thus, the institutions are working in two types of business, production relatively stable and production variable, and therefore, it is commensurate with the stable environment and dynamic environment, As well as when the organization adopts this kind of strategic choice, it keeps very keen, where and before entering into new businesses must ensure their profitability while ensuring its ability to maintain its current market share.

• *Order of importance according to the coefficient of variation of the Organizational Structure variable*

To measure this variable, we were interested by three dimensions of Organizational Structure of Hatch (1997) (Formalize, centralized, complexity).Table (5) shows the variation coefficients and arrangement of structural dimensions.

**Table 5: Order of importance according to the coefficient of variation of the organizational structure variable**

| <i>structural dimensions</i> | <i>Arithmetic mean</i> | <i>standard deviation</i> | <i>Coefficient of variation</i> | <i>Arrangement</i> |
|------------------------------|------------------------|---------------------------|---------------------------------|--------------------|
| <i>Formalize</i>             | 3,931                  | 0,848                     | 0,215                           | 1                  |
| <i>Centralized</i>           | 3,792                  | 1,019                     | 0,268                           | 2                  |
| <i>Complexity</i>            | 2,282                  | 0,973                     | 0,426                           | 3                  |

**Source: prepared by researcher based on SPSS20 output**

The the purpose of order of importance of the organizational structure variables, the coefficient of variation based on the arithmetic mean and the standard deviation were taken into account, and table (05) shows that the formality was ranked first by a different factor equal to the (0,215), in institutions understudy, which shows the paramount importance of this dimension, this result can be returned to the Robbins's (1988) study when he described formality as the degree of the organization's dependence on the rules and procedures to direct the behavior of employees, and thus, we find that the Algerian institutions under study are based on these laws in order to control the individual's behavior and (his/her)works, on the one hand, and on the other hand, the institutions that have been researched are the medium and large-size enterprises , and thus, we find that the latter (size) is associated with a strong positive relationship with formalization.

This confirmation of what came in Hodge & Anthony (1991) study, which indicates that the institutions used the rules and procedures (Bureaucratic form) that are appropriate for such institutions, because of these rules and procedures, the administration can deal with problems of control and coordination that occur due to the increase institution's size. In addition to the environment in which they are active, these institutions, whenever they are more stable, are formal, which is appropriate with the strategic choice (analyst) adopted, they operate in a stable and dynamic environment.

• *study the relationship between the strategic choice (strategic analyst) and organizational structure(formal structure)(is it a title???)if it is a title capitalize Study*

Through what is shown by the coefficient of variation, which is calculated, where it was found that the Algerian institutions follow the strategic analyst with the formal structure, we will study the relationship between these two variables (study of the relationship between the more strategic dimension prevalent in the Algerian institutions under study and represented in strategic analyst, as well as the more organizational dimension prevalent in the Algerian institutions under study and represented in formal structure), and we will try to study whether there is correlation between strategic analyst formal organizational structure, using the Spearman correlation coefficient\*,and this according to the following hypothesis:

Hypothesis: There is a statistically significant correlation between the strategic analyst and formal structure in the Algerian institution.

In order to verify this hypothesis, we use hypotheses test as follows:

- H<sub>0</sub>: There is no correlation between the strategic analyst and formal structure in the Algerian institution.
  - H<sub>1</sub>: There is a correlation between strategic analyst and formal structure in the Algerian institution.
- Where: H<sub>0</sub>: null hypothesis.  
H<sub>1</sub>: an alternative hypothesis.

The decision is as follows:

We rejectH<sub>0</sub>andacceptH<sub>1</sub>when the value probabilistic P-Valueless than0.05

And Table (06) shows the test results:

\*The correlation coefficient ranks, and it calculated by the following formula: $r_0 = 1 - (6\sum di^2 / n(n^2 - 1))$ .

**Table 6: The relationship between strategic analyst and formal structures**

| The study variables | Analyzers Strategy                   |                              |
|---------------------|--------------------------------------|------------------------------|
|                     | Spearman correlation coefficient (r) | Probability value of P-Value |
| Formal structure    | 0,237                                | 0,043                        |

**Source: prepared by researcher based on SPSS20 output**

Through table (06) we notice the existence of a positive correlation relationship between strategic analyst and formal structure, as the value of the correlation coefficient (0.237), these results can be returned to the fact that institutions that follow this strategic dimension (Strategic analyst) it characterized by a set of characteristics, in which they find themselves working routinely and efficiently through formal processes and structures to retain current customers. Using this strategic structure with a structure that lies between the organic structure and the automated structure represented in the mixed structure, where the formal is high and the centralized is low, according to a study by Hatch (1997). We found that the value of P-Value probability has reached (0,043), and this value is lower than the value of moral  $\alpha$  which is estimated to (0.05), and therefore we reject the null hypothesis and accept the alternative hypothesis which provides for a correlation relationship between the strategy analyst and the formal structure of the Algerian institutions under study.

This confirmation on what is stated in previous studies with regard to the existence of a relationship between strategy and organizational structure, regardless of the direction of this relationship, and our result compatible with the findings of each of the:

Chandler , A , D (1962) , Miles and Snow (1978), Hall.D.J. and Saias.M .D (1979), Hall.D. J. and Saias.M, .D. (1980), John , B , Miner, (1982), Martin locket and Roger, spear (1983), Miller.D. (1985), Fredickson , James, W (1986), Lex Donaldson (1987), Gersick (1991), Romanelli and Tushman (1994), Constantine J. Katsanis (1998), Robbins,S., and Coulter.M (1999) .

*•The standard model of the impact of the analyzer strategy on organizational effectiveness, the impact of the formal structure on organizational effectiveness, and the impact of fit (analyzer strategy / formal structure) on organizational effectiveness for medium and large enterprises Algerian*

This part aims to study the impact of the analyzer strategy on organizational effectiveness, as well as the impact of the formal structure on organizational effectiveness, and also the impact of fit (analyzer strategy / formal structure) on organizational effectiveness for medium and large Algerian enterprises, for that we will try to build three models to examine these relationships:

- The relationship between analyzer strategy and organizational effectiveness;
- The relationship between formal structure and organizational effectiveness;
- The relationship between fit (analyzer strategy / formal structure) and organizational effectiveness.

These three models are written by the following form:

$$y_i = \alpha_1 + \beta_1 X_i \quad i=1,73$$

$$y_i = \alpha_2 + \beta_2 Z_i \quad i=1,73$$

$$y_i = \alpha_3 + \beta_3 F_i \quad i=1,73$$

Where:

- $y_i$ : Variable organizational effectiveness of the institution i
- $X_i$ : Va riabile analyzer strategy of the institution i
- $Z_i$ : Va riabile formal structure of the institution i
- $F_i$ : Va riabile fit between analyzer strategy and formal structure of the institution

Taking into account the fact that fit is the result of a linear combination between analyzer strategy and formal structure. It writes by the following form:

$$F_i = \lambda X_i + (1 - \lambda) Z_i \quad i=1,73$$

$\lambda$ : Synthesis coefficient  $(0 < \lambda < 1)$

In order to verify these models we also use hypotheses test and who writes as follows:

$H_0$ : null hypothesis.  
 $H_1$ : an alternative hypothesis.  
 The decision is as follows:

We reject  $H_0$  and accept  $H_1$  when the value probabilistic P-Value less than 0.05

We have a table (07) below that shows the process of comparing the impact of both the analyzer strategy and the formal structure on the organizational effectiveness, existence fit and without a fit.

**Table 7: The process of comparing the impact on organizational effectiveness, existence fit and without a fit**

| <i>The study variables</i><br><i>Values</i> | <i>Analyzer Strategy</i><br><i>(Hypothesis2)</i> | <i>Formal Structure</i><br><i>(Hypothesis3)</i> | <i>Fit</i><br><i>(Hypothesis4)</i> |
|---|--|---|------------------------------------|
| $\beta$                                     | 0,308  | 0,337   | 0,416                              |
| $R^2$                                       | 0,095  | 0,113   | 0,173                              |
| <i>P-Value</i>                              | 0,008  | 0,004   | 0,000                              |
| $t_x$                                       | 2,725  | 3,011   | 3,853                              |
| $F_{cal}$                                   | 7,423  | 9,068   | 14,845                             |

**Source: prepared by researcher based on SPSS20 output**

According to the Table (07) we note that the amount of influence in organizational effectiveness, by the fit between the analyzer strategy and formal structure which was estimated at (0,173) was largest compared to the influence in organizational effectiveness, which was by analyzer strategy, estimated at (0,095), as well as the amount of influence in organizational effectiveness, which was by the formal structure, estimated at (0,113). Thus, the institutions with fit highly effective for those without fit. This confirms the results that came in study Lex Donaldson (1987), R. T. Hamilton (1992), Yin, Xiaoli; Zajac, Edward J (2004), Geiger.S.W and all (2006), where emphasized that fit is linked to a strong correlation with the behavior of the institution (Performance\*, efficiency\*\*, effectiveness\*\*\*), therefore, fit affects performance, they also found that the institutions with fit have a high performance as opposed to institutions without fit. According to what came in a study N. Venkatraman (1989), R. T. Hamilton (1992), they also confirmed what Chandler (1962) brought in his thesis that the lack of fit between structure and the strategy leads to a lack of administrative efficiency or poor performance.

According to Miles & Snow (1994), the compatibility between the internal components such as strategy and structure leads to business efficiency, and this was confirmed by Habib and Victor (1991) that the idea of fit leads to increased efficiency. Compared with the results of the study we have reached, we find that there is a match with the results of studies that have been previously published, where, the impact value of fit had a high effectiveness compared to the lack of fit, this result also reached by Chakravarthy (1982), It was found that the fit between strategic and structure produces high performance, In this regard Mintzberg (1979) confirmed that organizational effectiveness have results when there is a fit between the organization's strategy and structure. This is what was stated in the study (Eun Jin Hwang, 2005).

### Conclusion

Through the theoretical survey, which we have done with our findings through applied study and referring to previous studies in this area, where we found that there is a relationship between strategy and organizational structure, in fit framework (strategy /structure), and that organization achieves high effectiveness through this fit, on the grounds that the organization is the framework which determines in it the strategy to achieve its goals.

Within these limits we have been able to access a number of results which are:

- The Algerian institutions emphasize the importance of formality at work and its direction towards the application of the rules and procedures that comply with applicable laws and regulations, using the formal method harmonious with the organizational structure applicable.

\*According to Kaplan & Norton (1992), the concept of performance is synonymous with the concepts of effectiveness and efficiency. According to the Berrah (2002), the performance is the effectiveness of the process and efficiency of use the resources.

\*\*According to (Cohen, E (2000), the efficiency is variable of the effectiveness function variables.

\*\*\*According to Koys (2001) and K.A. Abston and V.J. Stout, (2006) the performance of organizations corresponds to organizational effectiveness.

- Characterized formal processes in the institution by positive relations with analyzer strategy, in order to retain existing customers.
- There is a positive impact of the analyzer strategy on organizational effectiveness, where should the institution and before entering the new business to be sure of their profitability while ensuring its ability to maintain its current market share.
- There is a positive impact of the formal structure on organizational effectiveness, where we find that the formal processes include identifying rules, regulations, policies, procedures, which control the organization's effectiveness.
- The Algerian institutions' situation with fit highly effective for those without a fit(it is meaningless sentence). Therefore, there is a strong correlation between fit and performance (Effectiveness\*), this means that the fit effects the organizational effectiveness in the Algerian institutions under study. This confirmation is based on results of previous studies.

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\*According to Koys (2001) and K.A. Abston and V.J. Stout, ( 2006) the performance of organizations corresponds to organizational effectiveness.