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SIMPLICITY AS A FEATURE OF AN ORGANIZATIONAL STRUCTURE

Among the desirable features of an organizational structure is simplicity. Its opposite, *i.e.* complexity, expresses a lack of order and entanglement, which are the source of waste. Although the desire for the simplicity of a structural solution is not new, in recent years it has been more clearly emphasized. Therefore, Ashby's law stating that variety has to be balanced by a different kind of variety, is questioned. The purpose of this article is to present the concept of simplifying an organizational structure. The concept of a simple organizational structure offered in this paper is the result of a thorough analysis of the literature on this topic. However, the views concerning the level of simple structure centralization were verified by means of a fractal calculus. The article presents the results of the study concerning the factors influencing the simplicity of the structural solution as well as the procedure of simplifying the organizational structure.

Keywords: organizational structure, simplicity

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1. INTRODUCTION

More and more people are turning away from the increasing consumerism of the contemporary world in the direction of 'voluntary simplicity' (Johnson, 2004; Sandlin, Walther, 2009). As a result, we can already speak about a social movement which makes people observe the following principles in their lives: to control expenses, to avoid waste, not to be misled by what others have, to attach significance to quality instead of quantity, to act jointly and to look for satisfaction through non-commercial and non-material aspects of life (Huneke, 2005 *after*: Sandlin, Walther, 2009; Osbert-Pociecha, 2012). To put this as simply as possible, Voluntary Simplicity is the transfer of the principle 'less means more', which in the past was the philosophers' response to the excessive enrichment of magnates, to the world of contemporary consumption (http://organicmagazine.pl/, 2013).

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Grigsby (2000) points out that this social movement is viewed by some scholars only as a means to individual fulfilment. However, many of them see a simple life as a means leading to something more than just individual fulfilment – as a means leading to social justice and ecological sustainability (Johnson, 2004). It is therefore not surprising that simplicity has started to be perceived as a value in business. "For those in business, especially big business, it is the thing to strive towards – the holy grail in an overcomplicated, stressed and hassled world" (Morrish, 2008, p. 43).

Simplicity in management is discussed in relation to:

- Simplicity of a strategic repertoire, like focusing on a distinctive/core competence (e.g. Porter, 1980; Peters, Waterman, 2004). The authors relate it to avoiding the drawbacks of excessive diversification which complicates business or disperses resources etc. for unjustified reasons.
- Building core values and vision (Collins, Porras, 2003; Devero, 2003) which are not only to order the hierarchy of the organization's objectives but also to simplify the process of making strategic decisions or taking up routine activities
- The adoption of the attitude 'strategy as simple rules' (Eisenhardt, Sull, 2001) with reference to directing activities, ways of making decisions or reacting in specific situations.
- Product design trend (simplicity of products and services), whose major advocate is Maeda (2006), a Japanese-American computer scientist and graphic designer. For Maeda, simplicity albeit oriented towards product design is actually a strategic tool oriented towards dealing with the increasing complexity of a product, technology, business and life.
- The simplicity of the organizational structure (Crosier, 1993; Drucker, 1993; Peters, Waterman, 2004; Welch, Welch, 2005; Ashkenas, 2007).
- Operational simplicity for example through processes restructuring (BPR) or avoiding any type of waste (*lean management* method).
- Organizational simplicity and simplicity-minded management (Ashkenas, 2007; Welch, Welch, 2005; Osbert-Pociecha, 2012; Segall, 2013), which manifest themselves in striving for complex simplifying of the organization's activity its strategy, products, structures, processes, management system or even corporate culture. For example, "Philips plan to reorganize not only all of their product lines, but also their entire set of business practices around simplicity" (Maeda, 2006, p. iv).

The above quoted examples allow to formulate two conclusions. First of all, the concept of simplicity carries many implications concerning various aspects of organization management. Secondly, it requires being more

specific since the formulated principles/instructions are of a very general character – both in the case of strategic and operational issues as well as in the case of particular elements of the organization (*e.g.* objectives and organizational structure). It is not known how to understand and assess, for instance, strategy simplicity or the simplicity of the operational solutions. It turns out, as will be presented below, that the opinions about the simplicity of the organizational structure are not unambiguous. Thus, as the authors of the present study maintain, this justifies the necessity of specifying the concept of a simple organizational structure. Considering this aim, the authors also make an attempt to show that if the structure is to perform its functions properly, it should be characterized most of all by simplicity.

2. CHARACTERISTICS OF A SIMPLE ORGANIZATIONAL STRUCTURE

It is accepted that an organizational structure is a set of rules ordering the behaviour of the organization members¹. These are mostly the officially introduced rules. This means that they result from the so-called managerial competences of the employer and this is what their force rests on (Steinmann, Schreyögg, 2005). However, they are also formed spontaneously without being introduced by people authorized to do so (*ibidem*).

The organizational structure shapes the organizational order by structuring organization elements and activities (Czekaj, 2013, p. 58). This process involves dividing employees into different groups, assigning each organization member a place in a division of authority and tasks as well as determining the patterns of behaviour for the individuals and teams performing different organizational roles. Generally speaking, the organizational structure limits the freedom of organizational behaviour by making it more predictable (Mreła, 1983), thus having an effect on the flexibility of the organization (Figure 1).

¹In the literature, other approaches for organizational structure are also present. An example is given by Stabryła (2009), who proposed the perception of the structure in terms of subject-relational, in which organizational structure is understood in a comprehensive manner (organizational position, configuration, management pragmatics) and is an expression of the institutionalization of any entity. The organizational structure (in the subjective manner) is therefore determined by positions and organizational units (cells, teams and groups) and exposes the organizational-economic sense of human resources. The organizational structure (in the relational manner) is determined by two aspects: structural and functional. The approach, which is adopted in this article, also considers organizational structure as the basis of the management and work processes, and integrates the static aspect to the dynamic one. However, it seems to be generally simpler.

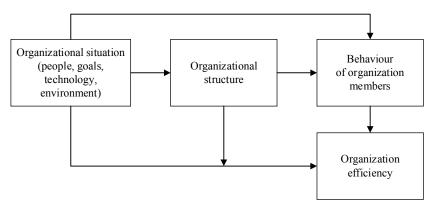


Fig. 1. Organizational structure and organization efficiency

Source: based on (Kieser, Kubicek, 1983, p. 61)

An extension of such a generally formulated structure can be the variety of its functions, which – on the one hand – enables to understand the essence of the organizational structure whereas – on the other hand – it enables to describe and measure it (Walas-Trębacz *et al.*, 2009). For example, in the opinion of Nalepka and Kozina (2007, pp. 22-24) and Lichtarski (2011, p. 23), these functions are:

- the function of the objectives classifier, which is reflected in the ordering of the organization's objectives,
- the function of uniting people, apparatus and objectives isolated for a work position,
- the function of grouping work positions into organizational units,
- the function of shaping functional and hierarchical relations,
- the function of locating decision-making rights,
- the function of activity formalization,
- providing the permanence and internal balance of the organization,
- it allows to achieve a defined level of satisfying the needs of organization members.

If the structural solution is to perform the function of the regulator of organization members' behaviour (who are the organization's most important element), then at least it should not be a hindrance to the performance of the tasks which aim at the survival of the organization. It seems that it is so when the structure is characterized not by complexity, often manifesting itself in the elaborateness and complication of interpersonal relations, but by simplicity, which – according to Caude (1966)

- also encompasses the concept of flexibility because what is liked is at the same time "... in accordance with the aspect of organisation harmony" (Pszczołowski, 1978, p. 190).

"However, striving for structural solution simplicity is not new, it has been more and more emphasized for the last few years. With this, the law formulated by and named after Ashby is questioned. This law holds that each diversity can be balanced by another diversity. As stressed by Crozier (1993, p. 47), it is above all the consequence of the fact that following – at a fast pace – the complexity of the environment by means of complicating the organizational rules, ends up with a bureaucracy which overwhelms the organization and makes it impossible to react efficiently to what is going on in the environment" (Hopej-Kamińska *et al.*, 2013b, p. 97).

The postulate of organizational structure simplicity is also formulated, among others, by Drucker (1993), Peters and Waterman (2004), Welch and Welch (2005) and Ashkenas (2007). For example, Drucker argued that it is crucial for organizations to have the smallest possible number of management levels and form the shortest possible chain of commands. "Every additional level makes the attainment of common direction and mutual understanding more difficult. Every additional level distorts objectives and misdirects attention. Every link in the chain sets up additional stress, and creates one more source of inertia, fiction and slack. (...) The growth of levels is a serious problem for any enterprise, no matter how organized. For levels are like tree rings; they grow by themselves with age" (Drucker, 1993, p. 202).

The simplicity of the organizational structure is also understood in a similar way by Peters and Waterman (2004) and Welch and Welch (2005). They find the form of the simple structural (lean staff, especially at corporate level) as an important feature of an excellent company. "If you want to manage people effectively, help them by making sure the org chart leaves as little as possible to the imagination. It should paint a crystal-clear picture of reporting relationships and make it patently obvious who is responsible for what results. Just as important, it should be flat" (Welch, Welch, 2005, p. 115).

However, in the opinion of Mintzberg, who is probably the most frequently quoted author of the model of a simple organizational structure, its most important part is top management (as a rule, one person) whereas the basic coordinating mechanism is the so-called direct managerial supervision. A simple structure is thus characterized by the high level of centralization as well as insignificant specialization, standardization and

formalization of activities (Minzberg, 1979). It is not difficult to notice that such a structure – to a much larger extent – limits the decision-making and freedom to act of the subordinate employees rather than a decentralized solution in which the manager takes on the role of solely creating the conditions for the activity of other people (Hopej-Kamińska *et al.*, 2013b).

If, following Boisot and Child, we accept that the organization – in the face of the increasing complexity of the environment – can strive to reduce this complexity or to absorb it (Ahmos et al., 2002), then Mintzberg's concept of a simple organizational structure clearly correlates with the orientation towards complexity reduction where "the organization tries to simplify and reduce the amount of data and the number of choices available to its members. Sense-making is undertaken by only a few agents whose roles place them at the top of the hierarchy (and often far from the boundaries where environmental pressures are keenly experienced)" (Ahmos et al., 2002, p. 193). Miller understands simplifying the organization in a similar vein, showing that "as simplicity increases in a company, secondary issues are forgotten, and the parties responsible for them lose influence. The organization becomes more monolithic, with its members and subunits having fewer and increasingly similar preoccupations and its systems becoming more specialized" (Miller, 1993, p. 117). In his opinion, simplicity understood in this way can contribute to the success of small, developing organizations. However, when maintained for a longer period of time, during which organizations grow in size, it can be detrimental. This view was confirmed in the empirical research carried out by Lumpkin and Dess (1995) (it should be stressed that the research on structure simplicity is still rather scarce). This corresponds with the views of Mintzberg, in the opinion of whom a simple structure is appropriate for young organizations which are rather small.

What should be noted here is the alternative views about organization simplicity, including the simplicity of the organizational structure. In the context of environment complexity absorption, the organization "holds multiple and sometimes conflicting representations of environmental variety, retaining in their behavioural repertoire a range of responses, each of which operates at a lower level of specificity" (after: Ahmos *et al.*, 2002, p. 193). In such a case, the simplicity of the structural solution boils down to the limitation and simplification of all top-down imposed rules (Ahmos *et al.*, 2002; e Cunha, Rego, 2010). Hence, such a solution gives the organization members a lot of freedom in terms of reacting in a complex and creative way to an event of environment complexity (after: Ahmos *et al.*, 2002). As

Trzcieliński and Wojtkowski (2007) argue, in a stable environment organizational functions where invariable and organizational structures become formalized – mechanistic forms were adopted, but according to e Cunha and Rego (2010), in a complex, dynamic and unpredictable environment, simple structures are recognized as those facilitating flexibility and adaptability because simple structures may cope with flexible, highly autonomous individuals and teams, stimulate intrapreneurship. "Simple rules may facilitate the emergence of highly complex systems united more by the logic of attraction (Weick and Quinn, 1999) than by authority cascading from a hierarchy" (e Cunha, Rego, 2010, p. 89). From this perspective the extremely simple structures, as claimed by e Cunha and Rego, include: adhocracies, heterarchies and networks. All of these structural solutions are poorly hierarchized; moreover, they are characterized by a low level of centralization (Hopej, 2004).

Inasmuch as there are many authors who relate a simple organizational structure to a flat structural solution, characterized by a small number of hierarchy levels and broad management range, the issue of centralization — or the problem of the level of decision-making and freedom of activity of the subordinate employees — raises a lot of doubt. The authors have formulated the following research hypothesis:

H0: 'The greater the degree of freedom of subordinates action and decision-making, the simpler the organizational structure'.

Testing of the hypothesis was made by using the fractal calculus, or more precisely the idea of a fractal tree.

The classic fractal tree is built "... of a limb with the length L and branches with the length L_1 which branch off from the limb. From those branches, other branches L_2 , L_3 ... L_n originate. The ratio of the lengths of particular branches is constant and equals:

$$\frac{L_1}{L} = \frac{L_2}{L_1} = \dots = \frac{L_n}{L_{n-1}} = \gamma$$
"(Hopej, Martan, 2009, p. 15).

Such a tree, which resembles the hierarchical structure, characterizes the fractal dimension, whose value can be established by means of the formula:

$$D = \frac{\ln N}{\ln \frac{1}{\gamma}}$$

where N is the number of branches branching off from the limb (Mandelbrot, 1983). It should be emphasized that it can be used as a tool of measuring the complexity of a hierarchized structural solution (Hopei, Martan, 2009, p. 16).

If we accept that the length of a branch illustrates the intensity of the relations between superiority and inferiority –the longer the branch, the greater management intensity is (*i.e.* the lesser the scope of decision-making subordinate employees' freedom), then it is possible to compare the complexity of two one-level structural solutions which differ in terms of the level of centralization (Figure 2).

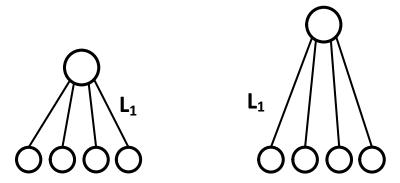


Fig. 2. One-level structural solution with different levels of centralization

Source: the author's own study

The changes of the complexity of such a one-level structure depending on the management intensity L_1 , (expressed as a percentage of the chief manager's rights – the greater L_1 is, the fewer rights the subordinate employees have) are illustrated by the curve (Figure 3) which can be described by means of the following algebraic expression:

$$D = \frac{\ln N}{\ln \frac{100}{L_1}}$$

where:

D – fractal dimension,

N – the number of subordinate employees.

Analysis of this complexity allows to formulate the conclusion that, along with the increase of management intensity, there is an increase in the complexity of the structure. However, the greatest increase can be seen from L_1 equalling around 80%, which means that transferring only 20% of the rights to the subordinate employees results in a clear decrease in complexity. A simple structure is thus not a centralized solution but a decentralized solution, in which the managers allow the subordinate employees to manage

their activities highly independently. What should be emphasized is that they refer to a uniform set of norms and values which support the creation of a shared identity. This means that hypothesis H0 should be accepted – the simpler the organizational structure, the greater the degree of freedom of subordinates action and decision-making.

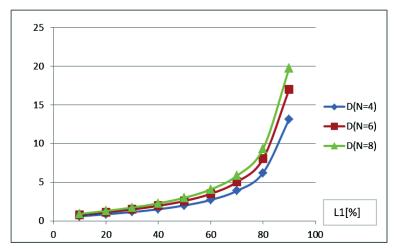


Fig. 3. The complexity of the structure as a function of management intensity Source: the author's own study

It should be emphasized that the calculation of a fractal can be used not only to measure a one-level structural solution, but also to multi-level solutions (Hopej, Martan, 2009, pp. 16-17). This concerns structures in which the $\frac{L_n}{L_{n-1}}$ relations are the same at each level of the hierarchy (a characteristic typical for a fractal tree), but also real solutions with different relations at different hierarchical levels.

3. FACTORS SHAPING THE SIMPLICITY OF AN ORGANIZATIONAL STRUCTURE

Albert Einstein is alleged to have once claimed that all should be done as simply as possible but not more simply. To put it differently, simplicity is a value but not at all costs because moderation and the golden mean are recommended in all we do (http:/www.original.redhosti.pl, 10.03.2013). So, what does it depend on?

An attempt to find answers to the above question is the result of the empirical research carried out among a sample of 100 enterprises functioning in Poland. In the research, the following assumptions were made:

- The structure is measured in terms of hierarchy, centralization level, specialization level, formalization level and activity standardization level.
- The structure is simpler if it resembles to a greater extent a simple structural solution, *i.e.* when hierarchy is less developed and the level of centralization, specialization, formalization and activity standardization is lower.
- The simplicity of the structure depends on 11 factors (Table 1). The basis for distinguishing the 11 factors was the four-item model of the organization worked out by Leavitt (1965), as well as the experience of the authors of this paper which they gained while cooperating with numerous managers. This cooperation was related to designing the structural solutions of the enterprises.

As for the operationalization of the research problem, it is assumed that the research tool used in the study was a questionnaire survey addressed to the companies which differed in terms of their size, production diversification and technology used. The authors spared no effort to make the questionnaire be filled in by a member of top management. The questionnaire was anonymous.

Measurement of structural characteristics was made in accordance with the Aston school's recommendations, while the structure-forming 'factors were determined in the following way:

- measurement of 'environment uncertainty' was made by evaluating both the variety and variability of the environment,
- 'dependence on the environment' was measured by assessing the impact of other organizations and groups on the goals and/or methods of organization operations,
- 'diversification level' was measured by the number and variety of goods and services produced by the organization,
- in the case of 'organization culture', the authors referred to the typology of open and closed organizational culture; organizational culture was evaluated according to three dimensions: social, anthropological and cognitive,
- 'employee's professionalism' was measured by assessing the skills of the independent solving of complex and non-routine problems and responsible decision-making,
- in the case of 'organic leadership', the authors assessed the degree of employees readiness to take over power, the scope of support for employees from managers, and to what extent the atmosphere of superior-subordinate relations favours empowering employees,

- 'management's aspirations to simplify the organization' was determined by assessing executives' behaviour in the fight against bureaucracy, eliminating waste, simplifying methods, showing a clear vision of the future and developing core values in the organization,
- 'technology' was measured based on the types of technologies according to Perrow (1967),
- 'IT use level' was judged to be higher when more functions in the organization were supported by information technology and the acceptance of information technology among employees was higher,
- 'organizational history' was measured by the number of structural transformations in the past of the organization ('past structural transformations') and 'organization functioning period',
- 'organization size' was measured by 'size of employment' and 'the amount of revenue from sales'.

Eleven hypotheses about the factors influencing a simple organizational structure were formulated (Hopej-Kamińska *et al.*, 2013b). Generally speaking, they claim that the organizational structure is simpler when the environment is more uncertain, the dependence of the organization on the environment is greater, the organizational culture is more open, the level of professionalism of employees is higher, the leadership has more organic nature, the involvement of management in reducing the complexity of the organization is greater, technology is less routine and the extent of IT use is greater. On the other hand, the organizational structure is less simple when the level of the implemented sectoral diversification is higher, the history of the organization is richer and the organization is larger.

On the whole, the analysis of the collected empirical material showed that none of the analysed factors was significantly correlated with all the dimensions of the structural solution (Table 1). The correlation coefficients are – as a rule – smaller than 0.5 (Hopej-Kamińska *et al.*, 2013a, p. 20).

The results of the stepwise regression, applied in the next step of the research procedure, suggest that none of the structure-forming factors is a predictor of all structure dimensions although statistically significant models were suggested for each of them. They indicate that:

- The hierarchy is less developed (simpler) when the organization is smaller, the activity run by the organization is less diversified and the management strives more to the simplification of the organization. This is explained in 47% by these factors.
- The level of centralization is lower (and the structure is simpler in this respect) when the organization is larger and younger, the culture is more open and the technology used is more non-routine (adjusted $R^2 = 0.04$).

- The more non-routine the character of the manufacturing technology, the simpler the structure in terms of specialization (specialization is smaller). The level of specialization is explained in 65% by this factor.
- The smaller the organization, the smaller the dependence on the environment, and the smaller the management's involvement in simplifying the organization, the simpler the structure in terms of formalization, *i.e.* formalization is lower (adjusted $R^2 = 0.433$).
- The more non-routine the manufacturing technology and the smaller the organization, the lower the activity standardization (so the structure is simpler in this respect) This is explained only in 20% by the abovementioned factors.

Table 1 Correlations between structural characteristics and structure-forming factors (Pearson's Correlation Test was used², N = 100).

| Structural Characteristics Structure-Forming Factors | Hierarchy | Centralization | Specialization | Formalization | Standardization |
|--|-----------|----------------|----------------|---------------|-----------------|
| Environment uncertainty | 0.082 | -0.121 | -0.402** | 0.221* | -0.227* |
| Dependence on the environment | 0.07 | -0.223* | -0.236* | 0.149 | -0.035 |
| Diversification level | 0.143 | 0.04 | -0.165 | 0.111 | 0.032 |
| Open organization culture | -0.281** | -0.082 | -0.251* | -0.265** | -0.123 |
| Employees' professionalism | -0.126 | -0.164 | -0.278. | 0.02 | -0.028 |
| Organic leadership | -0.257* | -0.114 | -0.287** | -0.223* | -0.061 |
| Management's aspiration to simplify the organization | -0.417** | -0.069 | -0.086 | -0.340** | 0.03 |
| Non-routine technology | 0.08 | -0.239* | -0.788** | 0.034 | -0.428** |
| IT use level | 0.01 | -0.137 | -0.404** | 0.142 | -0.095 |
| Past structural transformations (organization history) | 0.119 | -0.181 | -0.106 | 0.147 | 0.108 |
| Organization functioning period (organization history) | 0.173 | 0.066 | 0.075 | 0.15 | 0.136 |
| Employment size (organization size) | 0.633** | -0.038 | -0.002 | 0.580** | 0.234* |
| Income (organization size) | 0.303** | -0.195 | -0.185 | 0.174 | -0.096 |

^{**} the correlation significant at the level of 0.01 (double-sided)

Source: Hopej-Kamińska et al., 2013a, p. 21

^{*} the correlation significant at the level of 0.05 (double-sided)

 $^{^2}$ The following interpretation of the value of Spearman's coefficient r is adopted: 0–0.3 means no or very weak correlation, 0.3–0.5 means moderate correlation, 0.5–0.7 means strong correlation, 0.7–1.0 means very strong correlation.

However, it should be emphasized that the above relations are neither unavoidable nor certain. To a certain extent, they only lend credence to the cause-and-effect relations but of course they do not prove them. What arises from them is that the simplicity of the structure depends on the size of the organization, on the diversification of the activity, on the manufacturing technology, on the strength of the relations of the organization with the environment, on corporate culture as well as on the management's attempts to simplify the organization. It seems, the interaction of these factors is related to the fact that they point to – so to speak – a possible set of structural solutions, among which the simplest one may (or rather should) be selected. Such a solution should be characterized by the least developed hierarchy as well as the lowest level of centralization, specialization, formalization and activity standardization (Figure 4).

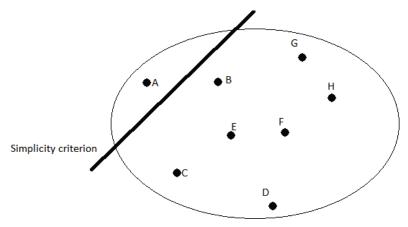


Fig. 4. Simplicity as the assessment criterion of possible structural solutions (A, B, C, D, E, F, G, H)

Source: the author's own study

However, there is one more issue to be discussed. The elements of the set of possible structural solutions may obviously include multi-linear structures which are such structures to which the principle of the unanimity of command is not applied. However, due to the number of hierarchy levels and management positions, they are clearly more complex than the comparable single-linear solutions. This is confirmed in the comparison of the complexity of the two solutions presented in Figure 5. It turns out that for the same relation $\frac{L_1}{L_2} = 3$, the complexity of the single-linear structure equals 1.63, whereas that of the multi-linear structure is 2.63.

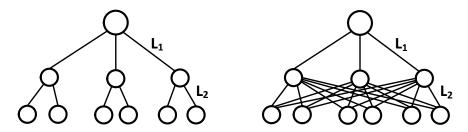


Fig. 5. The complexity of single- and multi-linear structural solutions Source: the author's own study

CONCLUSIONS

The above discussion shows that a simple organizational structure is highly flexible (among others, because of the high level of decentralization), insignificantly internally diversified and —which should be stressed — based on the principle of the unanimity of command. As emerges from the research results, the situational factors which contribute to its application are, among others: the small size of the organization, less diversified character of the activity as well as an open corporate culture.

The organizational structure should not always be simple but should be the simplest of all the possibilities. "The appropriate level of complexity – or simplification – is determined by a particular context, and not by a general or universal solution" (Nelson, 2007, p.109). This means its rationality, understood in such a way that between the structural solution and structureforming factors there should be a certain kind of mapping relation – the structure and its context are then suitable for each other. What follows is that the simplicity of the structure is its very important, perhaps the most important, feature which is - possibly - the common denominator of other desirable features. Its simplification leads to the creation of a rational structural solution, a reduction of costs and making the organization management more flexible as well as making people live better with the simplicity of the structure. The general idea of simplifying the structural solution is presented in Figure 6. The starting point is to evaluate the simplicity of the existing solution, which can be carried out using a test proposed by Ashkenas (2007). If it is negative, making two types of changes should be expected.

One of them is made when the structure is excessively complex but - at the same time - suitable in terms of context. Another type involves the fact

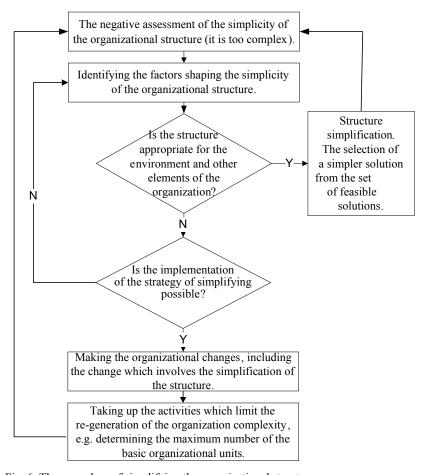


Fig. 6. The procedure of simplifying the organizational structure

Source: Hopej-Kamińska et al., 2013b, p. 106

that the activities supporting the simplification of the structure are connected with others (*e.g.* those aiming to eliminate the excess of products, services and functions) into a multidimensional, transparent strategy of simplifying the entire organization which should be treated not as a lean, well perceived, cosmetic change but as a tough, business imperative and a condition for the organization's success (Ashkenas, 2007). It should be highlighted that both types of changes are the attempts at implementing the idea that less structure altogether gives more (Hopej-Kamińska *et al.*, 2013b). After making

changes, one must take action to reduce the chance of re-emergence of structural complexity. This can be done by setting the maximum number of basic organizational units, the number of levels of hierarchy, and/or the number of staff positions.

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