

The Impact of Organizational Structure on Employees' Creativity: A Sector Based Study

Mushtaq Hassan

Lecturer at Department of Economics, University of Punjab ,Lahore, Pakistan

Muhammad Azfar Anwar

Lecturer at Department of Management Sciences, CIIT Vehari, Pakistan

Zain Rafique

HEC PhD Scholar

Asif Saeed (Corresponding Author)

Lecturer at Department of Management Sciences, CIIT Vehari, Pakistan

E-mail: asifsaeed@ciitvehari.edu.pk

Abstract

The paper examines the main building blocks of organizational structure that influence the employees' creativity in telecommunication sector of Pakistan. The three elements of organizational structure including centralization, formalization and work specialization were selected to find out the impact of organizational structure on the employees' creativity at workplace. The results revealed that centralization and formalization strongly and negatively influence the creativity management at workplace whereas work specialization has a less significant negative influence on employees' creativity as compared to the other two elements of organizational structure. The findings of the study will help the managers and top management of the organization to make effective structural changes associated with the employees' creativity.

Keywords: Creativity, Formalization, Centralization, Work Specialization

1. INTRODUCTION

An organization is an association of people working and executing together to attain common goals and objectives through classification and division of labor. Organizational work is done by the employees and employee's output depends upon the environment of organization. Organizational structure is an overall basis that may be major cause of the output. Creativity, formalization, centralization and work specialization are some of the factors that may affect the output of employees in telecom sector. The main function of an organization is to use individual strengths collectively that enables to achieve more than that which can be accomplished by the combined work of group-members working individually. Employee creativity is fundamental and significant for the prospective success of an organization. It develops a feasible advantage for an organization over another if it has employees with outstanding creative abilities. Organizational structure does have both negative and positive impacts on employees' creativity. Employee creativity is about engaging in innovative behaviors that are designed to produce new ideas, processes, products and services. These innovative ideas can be big or little, fundamental or incremental, created by a requirement or by insight are helpful and favorable for a person, group or an association [1]. In a nutshell, creativity is simply making things better that widen the vision.

The paper is an attempt to find the influence of organizational structure on employees' creativity in telecommunication industry. Telecommunication industry of Islamabad, Pakistan is selected to conduct the present study because it is an important setting for research on organization structure and its influence on employees' creativity. The telecom industry is attractive for the investors in Pakistan and investor's return depends upon the working of the organization. The paper discovers the nature of the affiliation between elements of the structure and employee creativity in the telecom sector of Islamabad Capital territory and Lahore, Capital of Pakistan's largest Province, Punjab. The findings of the present paper will help the managers and top management of the organization to make effective structural changes associated with the employees' creativity because the end of day organization seek for return and returns are open upon the employee's working.

2. MATERIALS AND METHODS

Organizational trust is a very important thing and theorists are constantly writing about the significance of it since long time. According to the current theorists, Interaction of employees and mutual interest play the most vital an important role in an organization as they are the key tools to generate employees' creativity. In an organization, it can be called as a lubricant which diminishes the friction among the employees; moreover, it can be called as bonding forces that ties altogether incongruent parts, and act as a promoter that ease actions in an organization. Trust is the only product that enhances the cooperation among the organization and apart from

mutual trust, there is no other factor that can enhance the employees' creativity as this trust do. Other theorists like Likert and McGregor etc. all were of the view that to enhance employees' creativity, trust is the only important component that facilitates the employees to take bold decisions and resultantly, employees creativity gets stronger in an organization that benefits the organization.

Argyris pleads that honesty and uprightness has fundamental importance. In addition to this, he has the point of view that if the employees of an organization were not trustworthy; they would be self-centric and would be looking only on their benefits [2]. This all scenario will result in an environment, where chances of creativity of employees will be reduced to the nil and productivity of the organization will be affected badly. On the other hand, if the employees of an organization are trustworthy and organization facilitates its employees by providing a trustworthy and creative environment, it will enhance the production of an organization and employees' creativity will be enhanced. In addition to this, he further have the point of view that if an organization want to enhance and increase its work, the organization would surely have to provide its employees an environment where they can use their skills upto the maximum level and organization should train its employees in a way that enhance the employees creativity.

In addition to the above theorists, Cook, J., & Wall, T. after the extensive research on the organizational behavior has concluded that mutual trust and a trustworthy and open relationship among the employees is the only tool that can result in the effective management of the organization and enhancement of its employee's creativity [3]. The theorists have positively pointed out that there is no other device than mutual trust and cooperation that can enhance the effectiveness of the organization and enhance the capability of its management and members by giving a perfect environment where they can use their skills at their best and employees have an environment to build their creative abilities and benefit the organization or respective company.

McCauley & Kuhnert has pointed out that organization that have pretty great environment for its employees to use their creative abilities, that organization will be surely ahead from its competitors as there would be an environment of mutual trust and creativity in an organization that will surely be considered as a plus point of the organization among others [4]. Thompson, L. points out clearly that an organization that has lesser the chances of employees' creativity will be not be that much productive as compared to the organization that have pretty good environment for the creativity of its employees. Resultantly, when the productivity of the organization would be less, it would definitely create an environment where there would be no trust among the employees and the low levels of productivity will create an environment that does not support trust, therefore not allowing trust to arise between individuals [5]. Damanpour recommends that if an organization wants to enhance employee creativity, it would have to establish a system in the organization that have its environment elastic and that promotes innovation [6]. The organization that has these qualities will be very innovative and resultantly will have advantage over its competitors in the market.

According to Meyer & Rowan, if the creative abilities of the employees are very high, the use of innovation in the organization would also be higher as compared to the other organization [7]. These employees will plan their work strategically; work with professional skills and respective guideline. If the organization has higher the level of formalization, it would have higher the level of employees' creativity. Amabile gives its point of view that Creativity is rightly generated in an organization only if the whole of the organization is in the favor of it [8]. Amiable advises the senior management of the organization to put a system in such a way that the main priority of the organization should to enhance the creativity of the respective organization. It is noted that an organization that supports the employees' creativity continuously will surely be rewarded for this in the long run. The organization would not have to pay to the people that bring innovative ideas for the organization. Cameron & Dennis pointed out rightly that unless the regular culture of creativity is not built in the organization, the organization would be unable to boost the creativity of its employees [9]. The culture if the organization depends on the history, ethos, believes and principles of the organization. The culture of the organization is permanent and it's changed very slowly. Usually, the culture of the organization depicts the things that is valuable for the society and it develops a specific system in an organization, where employees share their ideas and abilities and thinking on the regular basis to get their work done. Therefore, if the system of the organization has the culture of creativity and innovation, it will create a healthy environment within an organization. If an organization wants to get success, it would have to generate an environment which has positivity. The positive environment of an organization provides the sense of satisfaction among the employees of the organization. Moreover, it supports the employees emotionally, mentally and a positive environment provides its employees high level of morality. Hodge *et al* conclude that organization's hierarchical level is less if it has wider span of control. The organizations like these are called as uniform organizations and are more creative [10]. While the other organization that consists of more hierarchical levels have narrow span and are proved to be very less creative as compared to the other organizations.

Paulus, P.B. and Nijstad, B.A. have developed following under mentioned seven different scope of the culture of the organization that influence the creativity of employees and organization [11].

1. Risk taking – this refers to the decision of employees and organizational team to try something different

that is new in the market.

2. Resources – the accessibility of an organization to the financial means like money, power and power to act on different plans and complete information of the market and society.
3. Reward systems – this is the most important and it is the level to which a company or organization give incentives to the employees of the organization for bringing innovations and creativity to the goods and products.
4. Extensively shared knowledge – It is the limit up to which explicit knowledge and information is gathered
5. Specific targets – the degree to which the organizational leaders clearly have the point of view that up to what level the creativity and innovation is needed in definite area that is significant for the organizational operation
6. Rapidly formed relationships – it is the ability of the organization to establish an effective and high performing team that consists of highly motivated employees who have great innovative and creative abilities.
7. Tool and techniques – it is the level up to which an organization maintains a rational process and way for bringing innovation that enhances the creativity.

There are chiefly six key elements of organizational structure. These are work specialization, formalization, centralization and decentralization, departmentalization, span of control, chain of command. However, for the current study, following discussed three variables which would be considered to develop a relationship between structure and employees' creativity.

Creativity: Creativity means freedom of expression with the limited decisional power. Creativity means that to generate the new ideas for the accomplishment of organizational goals [12].

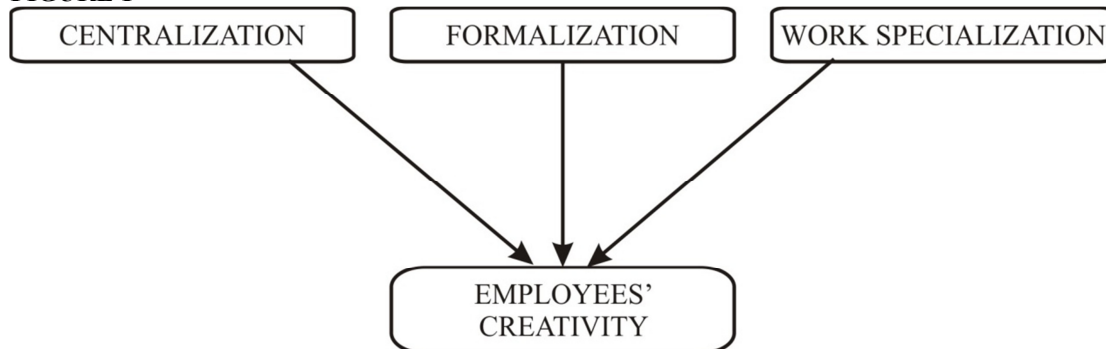
Work specialization: Work specialization also known as division of labor means the division of work into different, operate and specialized takes so that the work can be done with the minimal waste and maximum output rather than everyone in organization involve in every step of developing of product and services [13].

Formalization: Formalization is a step in which jobs within the organization are standardized and upgraded. It can also be defined as the degree to which the rules and regulations direct the employees and managers [14].

Centralization and Decentralization: The centralization and decentralization explains how much decision-making authority has been delegated to lower levels and subordinates [15].

The research setting can clearly be depicted by the following figure.

FIGURE 1



Hypotheses of the Study

H1: The centralization has an inverse impact on employees' creativity.

H2: The formalization has an inverse impact on employees' creativity.

H3: The work specialization has an inverse impact on employees' creativity.

METHODS

The paper analyzed the main building blocks of structure that influence the employees' creativity in telecommunication sector of Pakistan. The methodology adopted for this approach is empirical in nature. The paper analyzed the impact of organizational structure on employees' creativity empirically by designing a questionnaire. A survey was also conducted and administered in the Islamabad and Lahore. The population for the study consists of the entire telecom sector of Islamabad that are working and pursuing their career in the various fields of telecommunication sector in the Islamabad and Lahore. Sample size was 240 officials of telecom sector under consideration in this study. The data was collected on a self-constructed research instrument covering three factors i.e. centralization, formalization and work specialization. Fifteen research items in total were finalized after pilot testing and ensuring the internal validity and reliability of scale. A

structured questionnaire contacting close ended questions was used measuring all the variables on a 5 point rating scale. The estimate of 240 respondents was developed on the basis of stratified random sampling and 219 questionnaires were successfully collected. Finally 202 questionnaires are utilized for analysis purpose and 18 were discarded because of errors, which constitutes 83% response rate and data was analyzed using SPSS. For data analysis both descriptive and inferential statistics were applied. For the frequencies of various unique features of respondents descriptive statistics have been applied and for testing our hypotheses correlation and regression etc. have been applied. But before applying all the tests, we have applied the Cronbach's alpha test to check the internal validity. Before putting the data for various analyses, it is better to apply Cronbach's alpha to test the reliability of the data. Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. Below, for conceptual purposes, we show the formula for the standardized Cronbach's alpha:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

As far as our data is concerned, it was 0.823 (Table 1) which was quite encouraging figure to put the data for further statistical analysis.

Table 1

Cronbach's Alpha	No of Items
0.823	15

The 78% of the respondents were males and remaining 22% were females. Having socio-cultural and religious environ, it was difficult to approach female employees. Even then a considerable portion of the respondents showed their willingness to fill the questionnaire. In a nutshell, respondents consolidated profile is described in Table 2.

Table 2
Profile of Respondents

Demographic Characteristics		Percentage
Gender	Male	78%
	Female	22%
Age (Years)	Less than 25	23%
	25 – 35	56%
	36 – 45	12%
	46 – 55	9%
Qualification	Bachelors	29%
	Masters	62%
	Above Masters	9%
Working Experience (Years)	Less than 5	27%
	6 – 10	48%
	11 – 15	16%
	More than 15	9%

Data shows that out of total 202 responses, 35% were collected from PTCL head-office, 20% from two Mobilink offices and 23% from U-fone office and 13% from Telenor offices and 9% from Zong office. Survey is carried out from five major shareholders of telecom sector as the consultation with major players of telecom sector is necessary. Therefore, the paper has included all the major players of telecom industry of Pakistan that includes Mobilink U-fone, Telenor, Zong and PTCL.

3. RESULTS AND DISCUSSION

The paper examined these data statistically to know whether there is any evidence of a relationship between the variables considered. We used regression analysis and correlation analysis to determine the nature of relationship that exist between Employees' creativity and three of its major related pillars Centralization, Formalization and Work Specialization and strength of their relationship. Regression analysis would help us to nature of relationship, while correlation analysis helps us to determine the degree to which two concerned variables are inter-related to each-other. This approach provides understanding regarding the connection between these variables. The paper first summarizes the primary observations under the headings of proposed questions of interview and analyzes them with the available literature for comprehension of the research questions. Results

are based on this analysis along with empirical analysis and will accumulate all the aspect of the issue while pondering upon the questions given in the succeeding paragraphs with question headings.

CENTRALIZATION

The centralization and decentralization explains how much decision-making authority has been delegated to lower levels. This is the fact that organizations need to be aware of different elements of organizational structure that enable employees to contribute creatively towards the success of organization in today’s competitive world. The organizations which want to remain on the leading edge of the business must strive for promoting creative initiatives among the employees. The results of the variables of centralization are as under:

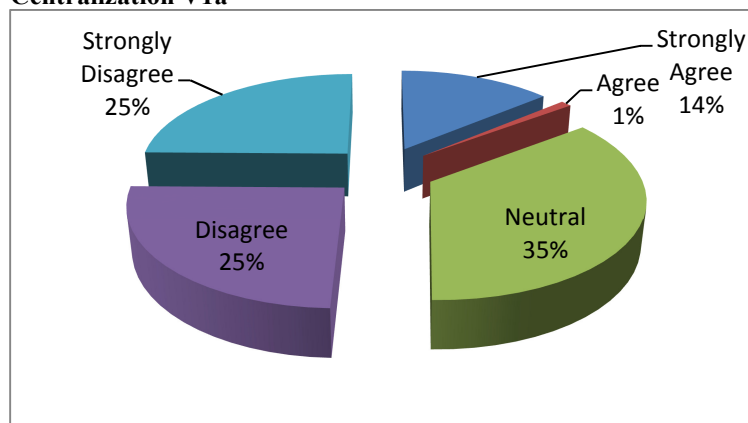
Centralization V1a

The first variable deals with the issue that if Managers of the organizations are interested in hearing employee suggestions regarding ways to improve company performance. This question clearly depicts the level of understanding between the manager and its subordinates which will show the organizational structure of the firm if it is centralized and decentralized. Following table shows the result

TABLE 3

		Frequency	Percent
Valid	1.00	28	13.9
	2.00	2	0.99
	3.00	72	35.6
	4.00	50	24.8
	5.00	50	24.8
	Total	202	100.0

FIGURE 2
Centralization V1a



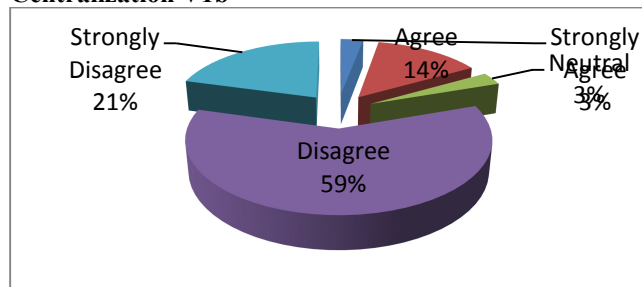
Centralization V1b

The second variable deals with the issue that if most communication between managers and other employees in our company can be said to be two-way communication or otherwise. This question clearly depicts the level of understanding between the manager and its subordinates. Moreover, it explains relationship and freedom of expression between the manager and its subordinates clearly mentioning centralizing and decentralizing behavior of the organization towards its employees. Following under-mentioned table shows the result.

TABLE 4

		Frequency	Percent
Valid	1.00	6	2.97
	2.00	28	13.86
	3.00	6	2.97
	4.00	120	59.4
	5.00	42	20.7
	Total	202	100.0

FIGURE 3
Centralization V1b



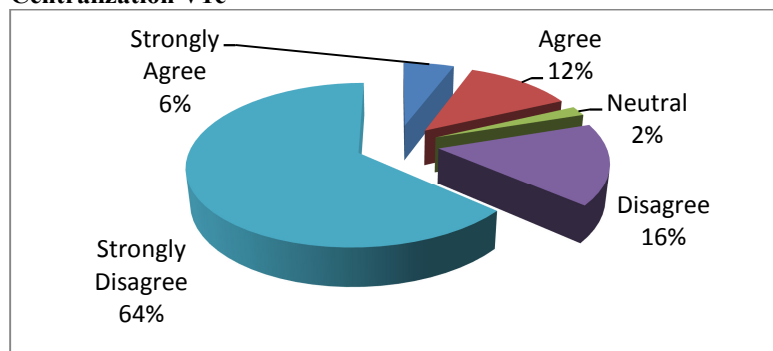
Centralization V1c

The third variable deals with the issue that if Supervisors encourage employees to express differences of opinion. This question clearly depicts the level of understanding between the manager and its subordinates. Moreover, it explains relationship and freedom of expression between the manager and its subordinates that up to which level they can differentiate from their upper hierarchy clearly mentioning centralizing and decentralizing behavior of the organization towards its employees. Following under-mentioned table shows the result.

TABLE 5

		Frequency	Percent
Valid	1.00	12	5.94
	2.00	20	12.57
	3.00	4	1.98
	4.00	34	16.83
	5.00	132	65.3
	Total	202	100.0

FIGURE 4
Centralization V1c



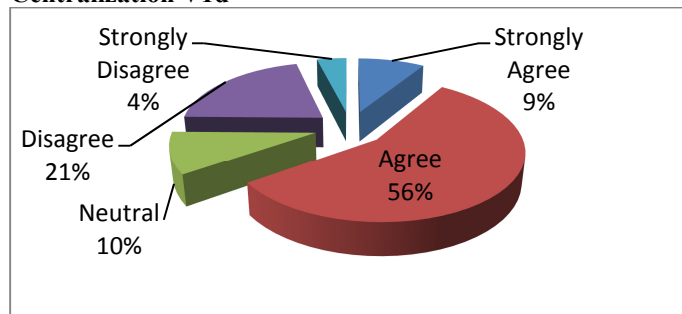
Centralization V1d

The fourth variable deals with the issue that if Employees are usually informed about major changes in policy that affect our job before they take place. This question clearly depicts that up to which the employees are informed about the major changes in the organization policy. The reason behind asking this question to organization employees is that if an employee is well-versed regarding its job policy, he/she can contribute rightly towards the betterment of the company and use its potential at the maximum level. Table 6 shows the result

TABLE 6

		Frequency	Percent
Valid	1.00	18	8.9
	2.00	114	56.43
	3.00	20	9.9
	4.00	42	20.79
	5.00	8	3.96
	Total	202	100.0

FIGURE 5
Centralization V1d



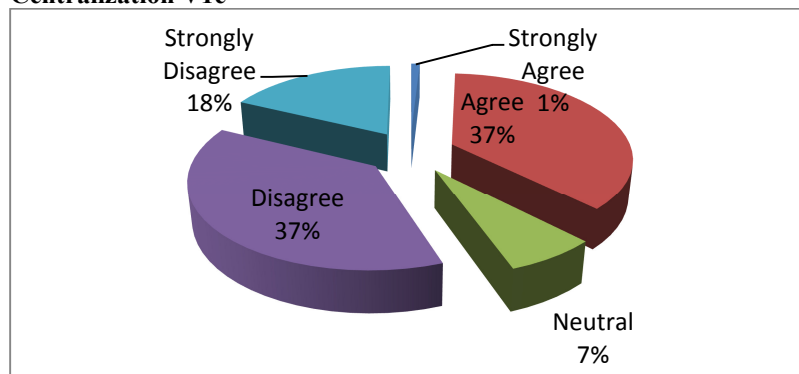
Centralization V1e

The fifth variable deals with the issue that if Employees are afraid to speak up during meetings with supervisors and managers or otherwise. This question clearly depicts that up to which level the confidence is built between the employees. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity. Table 7 shows the result

TABLE 7

Valid		Frequency	Percent
	1.00	2	0.9
	2.00	74	36.7
	3.00	14	6.9
	4.00	76	37.62
	5.00	36	17.8
	Total	202	100.0

FIGURE 6
Centralization V1e



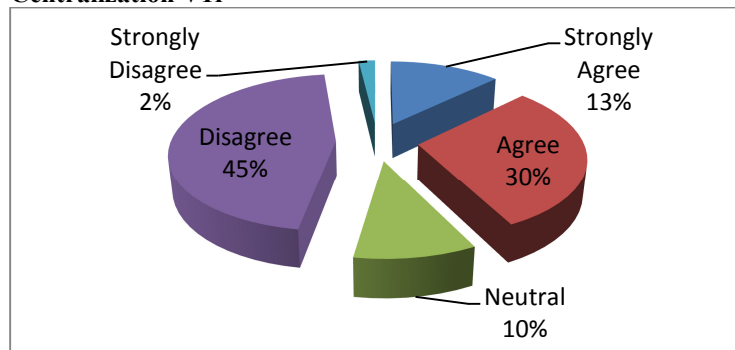
Centralization V1f

The sixth variable deals with the issue that if in our company, there are clear and recognized differences between superiors and subordinates. This question clearly clarifies the extent of relationship between employees and how the upper hierarchy deals with the subordinates and so on. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity. Under-mentioned table shows the result

TABLE 8

Valid		Frequency	Percent
	1.00	26	12.8
	2.00	60	29.7
	3.00	20	9.9
	4.00	92	45.5
	5.00	4	1.9
	Total	202	100.0

FIGURE 7
Centralization V1f



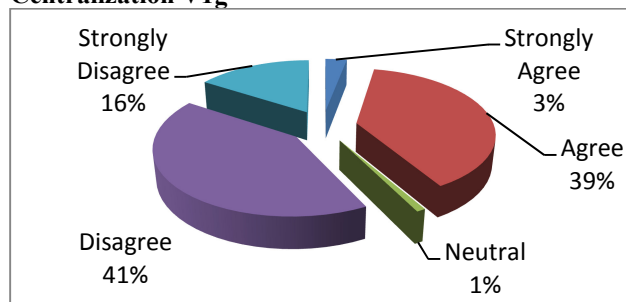
Centralization V1g

The first variable deals with the issue that if important decisions generally are made by a few top managers alone rather than by people throughout the company. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. This question gives a clear idea about the organizational structure and how it can affect employees' creativity. If the important decisions are done by the top managers, it means that organization is highly centralized and organizational structure has a negative impact on employees' creativity. Table 9 shows the result.

TABLE 9

		Frequency	Percent
Valid	1.00	6	2.97
	2.00	78	38.6
	3.00	2	0.9
	4.00	84	41.5
	5.00	32	15.8
	Total	202	100.0

FIGURE 8
Centralization V1g



FORMALIZATION

The second part of questionnaire deals with Formalization . Formalization refers to the degree to which jobs within the organization are standardized. It can also be defined as the degree to which the rules and regulations direct the employees and managers.

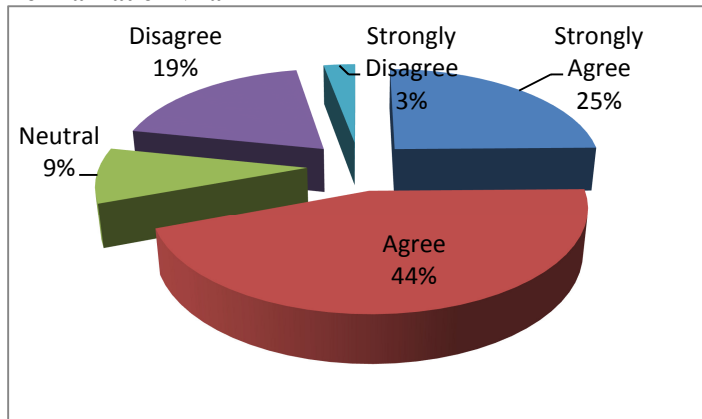
Formalization V2a

The first variable deals with the issue that if the employee can always talk with someone at work if I have a work-related problem. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity. Following table shows the result

TABLE 10

		Frequency	Percent
Valid	1.00	50	24.7
	2.00	90	44.5
	3.00	18	8.9
	4.00	38	18.8
	5.00	6	2.9
	Total	202	100.0

FIGURE 9
Formalization V2a



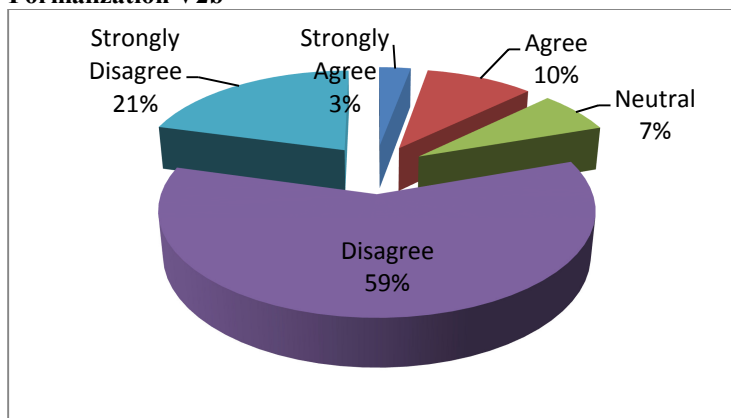
Formalization V2b

The first variable deals with the issue that if It is not difficult for a person who begins in the lower ranks of our company to move up to an important supervisory position within about 10 years. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity. Table 11 shows the result

TABLE 11

		Frequency	Percent
Valid	1.00	6	2.9
	2.00	20	9.9
	3.00	14	6.9
	4.00	120	59.4
	5.00	42	20.7
	Total	202	100.0

FIGURE 10
Formalization V2b



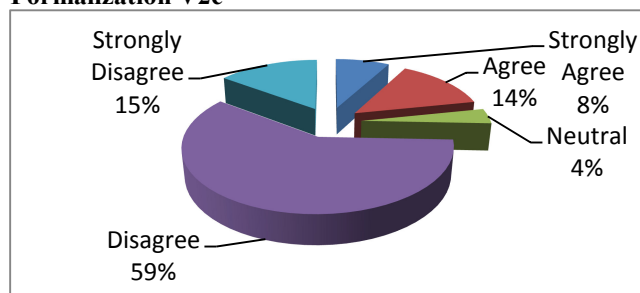
Formalization V2c

The first variable deals with the issue that whether the outcome is good or bad, the employee always feel like I am not kept informed by my supervisor. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity. Under-mentioned table shows the result

TABLE 12

		Frequency	Percent
Valid	1.00	16	7.9
	2.00	28	13.8
	3.00	8	3.9
	4.00	120	59.4
	5.00	30	14.8
	Total	202	100.0

FIGURE 11
Formalization V2c



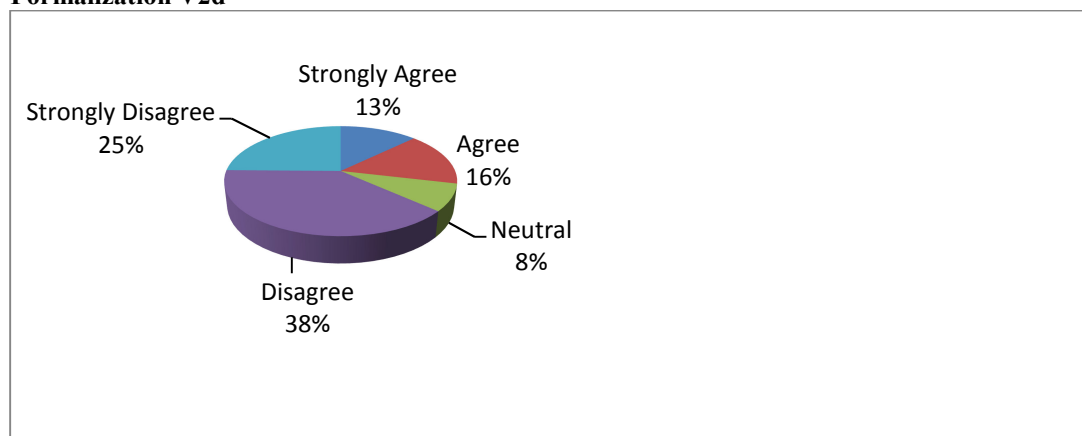
Formalization V2d

The first variable deals with the issue that if this company takes care of employee because he/she is likely to reward the company. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity. Following table shows the result

TABLE 13

		Frequency	Percent
Valid	1.00	26	12.8
	2.00	32	15.8
	3.00	16	7.9
	4.00	78	38.6
	5.00	50	24.7
	Total	202	100.0

FIGURE 12
Formalization V2d



Formalization V2e

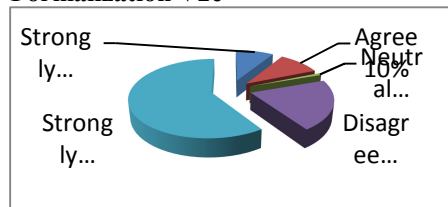
The first variable deals with the issue that if the concerned company believes that its employee’s opinions are legitimate. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees’ creativity. Following table shows the result

TABLE 14

		Frequency	Percent
Valid	1.00	18	8.9
	2.00	20	9.9
	3.00	2	0.9
	4.00	42	20.7
	5.00	120	59.4
	Total	202	100.0

FIGURE 13

Formalization V2e



Formalization V2f

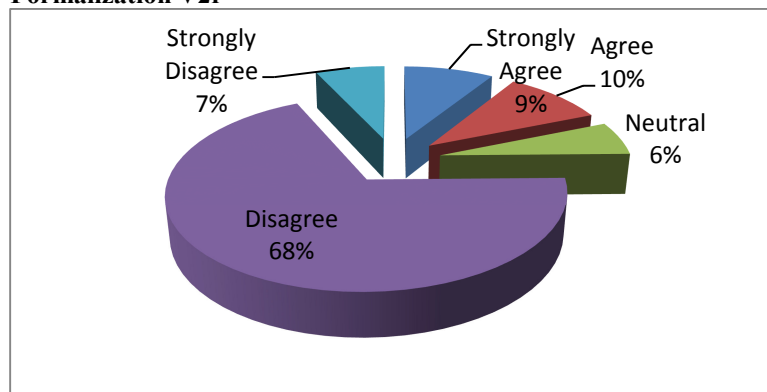
The first variable deals with the issue that if the employee was given ample opportunity to participate in decisions that would affect my work area. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees’ creativity. Table 15 shows the result

TABLE 15

		Frequency	Percent
Valid	1.00	18	8.9
	2.00	20	9.9
	3.00	12	5.9
	4.00	138	68.3
	5.00	14	6.9
	Total	202	100.0

FIGURE 14

Formalization V2f



Formalization V2g

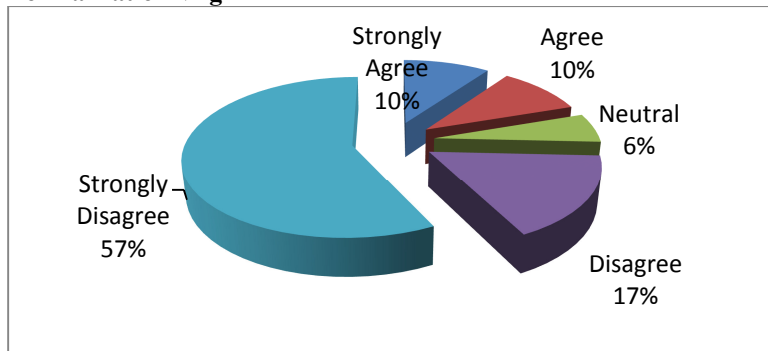
The first variable deals with the issue that if often I find it difficult to agree with this organization’s policies on important matters relating to its products. This question clearly depicts that up to which level the employees imparts their role in the decision-making process. If the employees are easy to speak with the upper hierarchy,

the organization structure would be considered to have positive impact on the employees' creativity. Under-mentioned table shows the result

TABLE 16

		Frequency	Percent
Valid	1.00	20	9.9
	2.00	20	9.9
	3.00	12	5.9
	4.00	34	16.8
	5.00	116	57.4
	Total	202	100.0

FIGURE 15
Formalization V2g



WORK SPECIALIZATION

This is third part of questionnaire comprised of five queries; these supposed to investigate post flood immediate relief measures. Work specialization or division of labor is the degree to which tasks in the organization are subdivided into separate jobs. The entire job is not being done by one individual; it is broken down into number of steps, each step being completed by a separate individual.

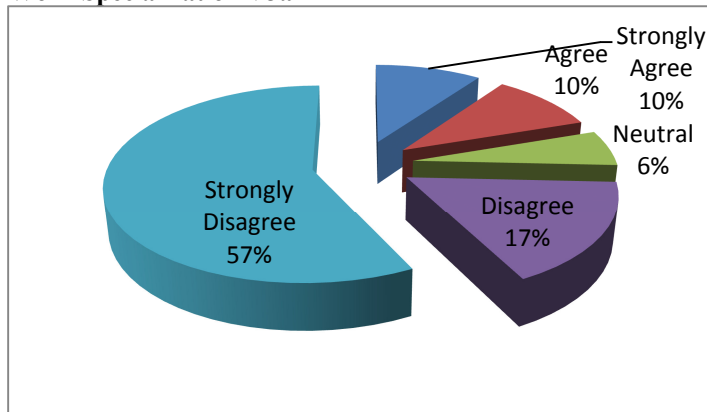
Work-Specialization V3a

The first variable deals with the issue that if the division of labor in this organization is intended to help it reaches its goals. This question clearly depicts that up to which employees are centralized and decentralized in a specific hierarchy. Table 17 shows the result

TABLE 17

		Frequency	Percent
Valid	1.00	20	9.9
	2.00	20	9.9
	3.00	12	5.9
	4.00	34	16.8
	5.00	116	57.4
	Total	202	100.0

FIGURE 16
Work Specialization V3a



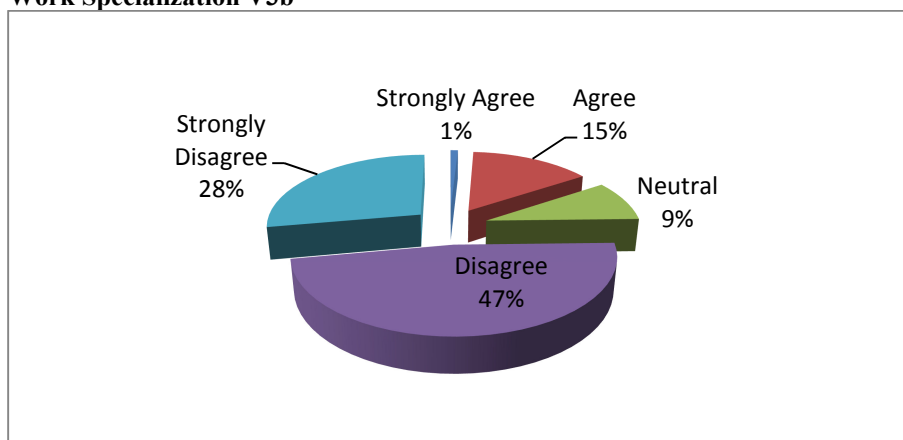
Work-SpecializationV3b

The second variable deals with the issue that if the employees have a clear understanding of what the organization on expects of me in my current role. This question clearly depicts that up to which level the employees are well-aware of their job duties and assigned assignments. Under-mentioned table shows the result

TABLE 18

		Frequency	Percent
Valid	1.00	2	0.9
	2.00	30	14.8
	3.00	18	8.9
	4.00	96	47.52
	5.00	56	27.8
	Total	202	100.0

FIGURE 17
Work Specialization V3b



Work Specialization V3c

The third variable deals with the issue that if the employee would be willing to accept almost any type of work assignment to stay with this organization. If the employees are motivated and innovative, they would be ready to accept the challenges and perform their duties more vigilantly and vice-versa. Following under-mentioned table

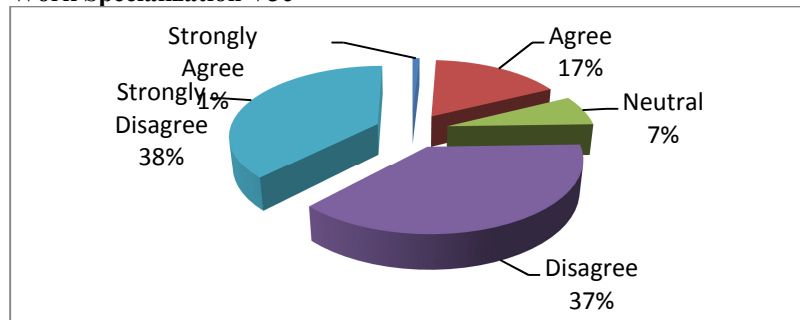
shows the result.

TABLE 19

		Frequency	Percent
Valid	1.00	2	0.9
	2.00	34	16.7
	3.00	14	6.9
	4.00	76	37.62
	5.00	76	37.8
	Total	202	100.0

FIGURE 18

Work Specialization V3c



Work-Specialization V3d

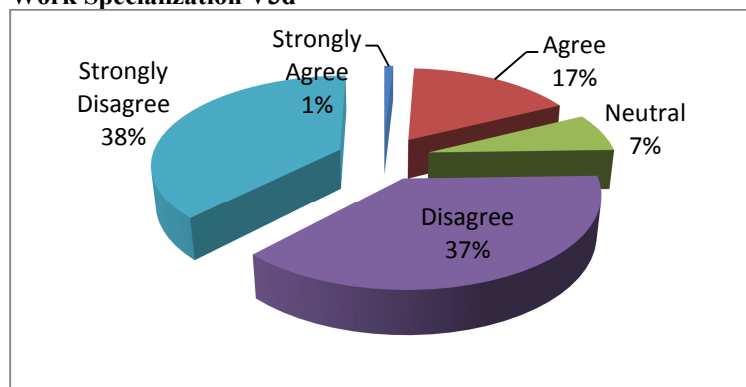
The fourth variable deals with the issue that if Employees have a great deal of freedom in making decisions about our work without clearing those decisions with people at higher levels of the company. This question clearly depicts that up to which level the employees imparts their role in the decision-making process especially related to their field and specialized work. If the employees are easy to speak with the upper hierarchy, the organization structure would be considered to have positive impact on the employees' creativity and employees would be considered to be more innovate and well-informed. Following under-mentioned table shows the result.

TABLE 20

		Frequency	Percent
Valid	1.00	2	0.9
	2.00	34	16.7
	3.00	14	6.9
	4.00	76	37.62
	5.00	76	37.8
	Total	202	100.0

FIGURE 19

Work Specialization V3d



Work-Specialization V3e

The first variable deals with the issue that if supervisor does not care how the employee is doing. This variable of

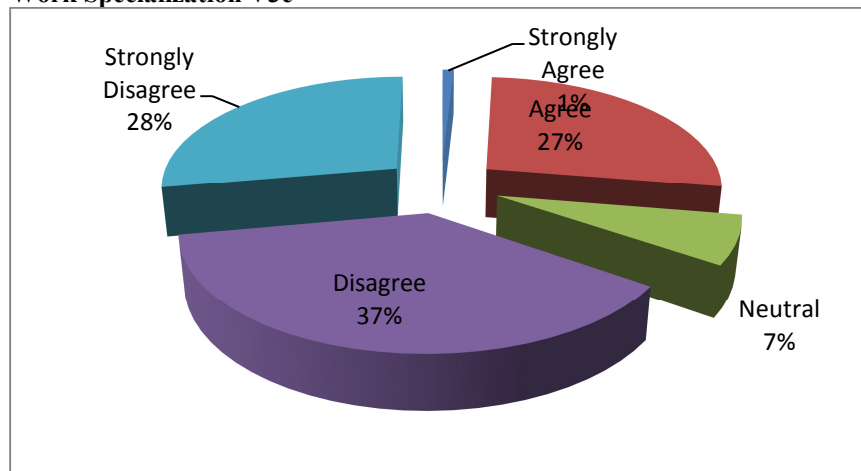
work-specialization is designed to check the relationship of employee and its supervisor specially related to their work specified job. This variable of work specialization shows the extent of employment creativity appreciated in the firm. It is assumed that if the supervisor cares about the work of its subordinate, chances of employees creativity are higher and vice-versa. Following under-mentioned table shows the result.

TABLE 21

		Frequency	Percent
Valid	1.00	2	0.9
	2.00	54	26.7
	3.00	14	6.9
	4.00	76	37.62
	5.00	56	27.8
	Total	202	100.0

FIGURE 20

Work Specialization V3e



Work-Specialization V3f

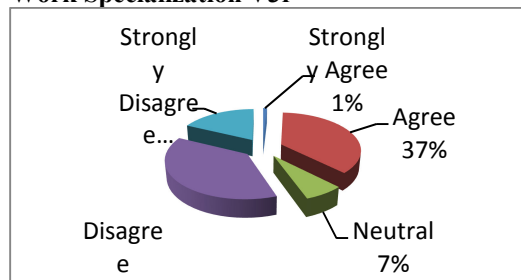
The variable deals with the issue that if the employees of the concerned organization think that the company in which he/she is providing her inputs succeeds by stepping on him/her. This question clearly depicts that up to which level the employee has its caliber and up to what level he has innovative abilities. Moreover, up to what extent, he believes that his creativity and working has helped his company. This variable of work specialization shows the extent of employment creativity appreciated in the firm. Table 22 shows the result.

TABLE 22

		Frequency	Percent
Valid	1.00	2	0.9
	2.00	74	36.7
	3.00	14	6.9
	4.00	74	37.62
	5.00	36	17.8
	Total	202	100.0

FIGURE 21

Work Specialization V3f



REGRESSION AND CORRELATION ANALYSIS

We have examined these data statistically to know whether there is any evidence of a relationship between the variables considered. We used regression analysis and correlation analysis to determine the nature of relationship that exist between Employees' creativity and three of its major related pillars Centralization, Formalization and Work Specialization and strength of their relationship. Regression analysis would help us to nature of relationship, while correlation analysis helps us to determine the degree to which two concerned variables are inter-related to each-other. This approach provides understanding regarding the connection between two variables.

Correlation: Correlation analysis helps us to determine the degree to which two variables are inter-related. Following under mentioned table is clearly showing the results of correlation analysis.

Table 23
Correlation

	Employees' Creativity	Centralization	Formalization	Work Specialization
Employees' Creativity	-1.00			
Centralization	-0.85	-1.00		
Formalization	-0.77	-0.55	-1.00	
Work Specialization	-0.65	-0.50	-0.69	-1.00

Finding of Correlation Analysis: The correlation table shows relationship between various elements of structure and employees' creativity. The negative values indicate the negative relationship between the independent and dependent variables.

Employees' creativity & Centralization: The data reveals that employees' creativity is strongly negatively correlated with the centralization. It shows that the greater the centralization in an organizational structure it strongly reduces the employees' creativity.

Employees' creativity & Formalization: The formalized organizational structure is moderately negatively correlated with the employees' creativity. Thus as we increase the formalization in an organization it moderately leads to low employees' creativity.

Employees' creativity & Work-Specialization: The table shows that work specialization is weakly negatively correlated with the employees' creativity. It elaborates that there is less significant relationship between work specialization and employees' creativity because if the work specialization will increase it will lead to relatively less decrease in employees' creativity.

Regression Analysis for Hypothesis Testing: Regression analysis provides quantitative techniques for establishing the relationship as a formula between the variables being considered. Regression analysis enables us to determine and utilize a relation between a variable of interest called the dependent variable and one or more independent variables or predictor variables. Y denotes the dependent variable whose value we want to predict. X denotes the independent variable or predictor variable. The following under-mentioned table shows the result of regression analysis

Table 24

R Square	0.64	
	Coefficients	P-value
Intercept	-0.06	0.03
Centralization	-1.50	0.05
Formalization	-1.11	0.05
Work Specialization	-0.74	0.02

Findings

Findings of different hypothesis are discussed

R-Square: The value of R-square is 0.64 it shows that the variables that we have chosen to conduct research on Employees' creativity contributed 64% to our results while 36% depends upon other factors.

Hypothesis H1: Regression results show that centralization has a significant impact on the employees' creativity. So, we don't reject H1. Employees' Creativity is expected to increase by 1.50 units if centralization decreases by 1 unit. The p-value shows that the probability of being correct is 95%.

Hypothesis H2: The regression table reveals that formalization also has a significant on the employees' creativity, so we don't reject H2. It shows that if we decrease the formalization by 1 unit the employees' creativity will increase by 1.11 units. The p-value shows that the probability for being correct is 95%.

Hypothesis H3: The coefficient value for work specialization shows low negative impact on employees'

creativity. It shows that if we decrease the work specialization by 1 unit it will lead to 0.75 units increase in employees' creativity. The p-value shows that the probability of being correct is 98%.

5. Conclusion

The study was aimed to assess the impact of organizational structure on employees' creativity and the study supports a strong positive relationship between them. From the supported & collected material and results of the study, it is established that our three selected variables centralization, formalization and work-specialization has a very sound impact on employees' creativity and 64% of these variable affect the employees' creativity. This study was conducted considering three factors of organizational structure, *i.e.* centralization, formalization and work-specialization influences employee creativity with 64%.

However, in the case of future study, the remaining 36% contribution towards employee creativity other than centralization, formalization and work-specialization factors can be result of other factors such as, attitude, commitment, motivational factors, and trust in the organization, and other factors such as compensation, reward and bonuses etc. can also increase the employee creativity. The whole three hypotheses established to conduct the study are accepted and are positively related to employee creativity. Regression results show that centralization has a significant impact on the employees' creativity.

Employees' creativity is expected to increase by 1.50 units if centralization decreases by 1 unit. The p-value shows that the probability of being correct is 95%. The regression table reveals that formalization also has a significant on the employees' creativity. It shows that if we decrease the formalization by 1 unit the employees' creativity will increase by 1.11 units. The p-value shows that the probability for being correct is 95%. The coefficient value for work specialization shows low negative impact on employees' creativity. It shows that if we decrease the work specialization by 1 unit it will lead to 0.75 units increase in employees' creativity. The p-value shows that the probability of being correct is 98%.

The findings of the study indicate that organizational structure has a strong influence on the employees' creativity. The 3 elements of organizational structure namely centralization; formalization and work specialization negatively affect the employees' creativity. If the organization is highly centralized it will lead to a strong decrease in creativity of employees as the employees will get a less chance to take creative initiatives. The centralization very strongly affects the employees' creativity so we can say that centralization should be discouraged in an organizational structure for creativity management. The decentralized structure with more autonomy will encourage the employees' creativity for the achievement of organizational objectives.

The formalization also affects the employees' creativity at workplace and is negatively associated to it. Thus if the organization will prefer more formalized systems and procedures there will be less chances of workplace creativity. Thus, the higher the formalization in an organization the lesser the employee creativity. The work specialization also has a negative relationship with the employees' creativity but it has a relatively less significant impact as compared to the other two variable but it is very obvious from the present study that work specialization and division of work among the employees increases the efficiency at workplace but it ultimately leads to a certain reduction in employees' creativity. Thus, the more the specialization of work in an organization, the lesser the creativity management at workplace. In a nutshell, we can say that the organizational structure strongly affects the creativity at workplace but in a negative direction. The centralization and formalization must be suppressed in an organizational structure to develop employees' creativity. The organizations must develop a decentralized and less formal structure to promote the employee creativity.

It will enable the employees to contribute creatively towards the betterment of the organization. The employees should be given more authority with accountability so that they can take in time decisions to solve the problems of their customers. It will also help to reduce the customer complaints. The lesser the use of strategic plans, orientation kits, professional development guidelines, job descriptions, policy manuals and the like which dictate to employees how they are to go about particular activities, the lower the level of formalization within an organization and it will lead to enhanced employees' creativity at workplace. As there are so many factors involve in employee's creativity but this research include only these factors that can be manage by the firm directly. If any another factor involved in the study results may change accordingly.

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