

Alignment between organizational structure and strategy and its impact on organization's performance



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Abstract The study aimed to measure the alignment between organizational structure and strategy in Yemeni business organizations, and study its impact on organizational performance. The study used a descriptive quantitative methodology, using a questionnaire for data collection. Statistical analysis was conducted using SPSS version (26) and Smart PLS version (4) for data analysis through Structural Equation Modeling (SEM). The study population included all large industrial and service business organizations that have been operating for over (15) years. A stratified random sample of (43) industrial and service organizations was selected, followed by the purposive selection of (305) managers from these organizations. The study reached several key findings, most notably that the mechanistic organizational structure and prospector strategy were predominant in Yemeni industrial and service business organizations. The level of alignment between the form of organizational structure and the corresponding strategy was almost non-existent. The findings indicated that only one organization achieved alignment between its "Defender" strategy and the mechanistic structure, while three organizations achieved alignment between their "Analyzer" strategy and the mixed structure. On the other hand, (39) organizations did not achieve any alignment between their structure and strategy. Furthermore, the results showed that aligning a mechanistic structure with the "Analyzer" strategy leads to improved overall organizational performance, compared to aligning the mixed structure with the prospector strategy. No significant impact was found for aligning the mechanistic structure with the prospector strategy on organizational performance. The study presented several recommendations, the most significant of which include enhancing the level of managerial knowledge regarding the alignment between organizational structure and strategy, and the ways to achieve such alignment and conducting periodic studies and analyses to measure the alignment between strategy and organizational structure and implementing necessary measures to achieve it.

Keywords: fit, business strategy, organizational design, firm performance

1. Introduction

Organizations operate in a rapidly changing environment and are influenced by their surrounding environment as they operate within an open system. This leads to varying responses at different times to environmental changes, which is reflected in the organization's strategy. Strategy represents the decisions and actions taken by the organization in response to environmental interactions to achieve its objectives. To adapt and align environmental changes, organizations must formulate strategies that suit environmental demands, while also ensuring alignment between internal contextual factors—most importantly, the organizational structure—with the strategy. This alignment allows the organizational structure to be consistent with the requirements of achieving strategic objectives, ultimately enhancing organizational performance.

Performance is a fundamental concept for all business organizations and represents the core outcome by which an organization's success is evaluated. It encompasses both the financial and non-financial results of its activities, which every organization strives to maximize. In today's context, organizational performance has become a major focus for organizations and researchers, being considered the primary dependent variable. Many attempts have been made to understand why performance levels vary between organizations. Numerous studies suggest that the success of an organization rarely depends on a single factor; instead, it depends on achieving a viable balance between a set of factors. The decline in performance levels for many organizations is often attributed to the failure of their leadership to understand the necessity of aligning organizational structure with strategy. The organizational structure, with its features and dimensions, serves as one of the main tools for achieving organizational objectives and implementing strategy. Therefore, it is essential to design the organizational structure in a manner that facilitates the implementation of the strategy, ensuring proper alignment between them, and this is the key to success.



In Yemen, since 2015, Yemeni business organizations have operated under challenging general conditions. Given the persistence of this negative environment, it is expected that many Yemeni organizations have implemented significant internal changes at the strategic and structural levels to adapt to these circumstances. However, the researchers have observed that some Yemeni business organizations tend to develop their strategies in response to environmental changes without modifying their organizational structures accordingly, reflecting a lack of awareness among leadership regarding the importance of alignment between organizational structure and strategy and a deficiency in expertise in this field. Referring to some previous studies, the failure to achieve alignment between structure and strategy leads to several problems, such as increased functional conflict (Cadez & Guilding, 2009), inefficiency (Chandler, 1962; Harms et al., 2009), reduced capacity to respond to environmental changes (Ogollah et al., 2011), weak performance (Donaldson, 2006), and ineffective strategy implementation (Gurianova & Mechtcheriakova, 2015). It also makes strategy implementation costly in terms of time and resources (Payne, 2001) and can even lead to the organization's decline or failure (Daft, 2008). In summary, the lack of alignment between strategy and structure, at the very least, results in inefficiency, weakness, and collapse in the long term (Hall & Saias, 1980; Miller, 1986).

The rationale behind aligning organizational structure with strategy lies in the necessity for organizational leadership to ensure effective consistency among the organization's internal environmental factors, primarily the alignment between organizational structure components and strategic plans. This alignment is critical to ensure the success of the strategy in achieving its goals, which translates into higher performance levels. The alignment between organizational components has been a subject of considerable interest among researchers, especially in strategic management (Van de Ven & Drazin, 1985), as this plays an important role in the survival and growth of organizations. The examination of alignment between organizational structure and strategy and its impact on performance remains a core issue in strategic management and organizational theory and is still a topic of debate.

Based on the foregoing discussion, the organizational structure and strategy are the two fundamental components that shape an organization, define its business paths, and ensure its success in achieving its goals and enhancing performance. Therefore, continuous alignment between them is necessary. Any strategic development should be followed or accompanied by corresponding structural modifications. Likewise, any development in the organizational structure should be driven by the requirements of strategy implementation to ensure success in achieving objectives and enhancing organizational performance.

1.1. Problem statement

Large Yemeni business organizations face numerous challenges and difficulties within an unfavorable economic and investment environment. According to a World Bank report (2022), the industrial and service sectors in Yemen have experienced a significant decline in performance due to multiple factors, including weakened infrastructure and production halts. These challenges have resulted in increased operational costs, scarcity of raw materials, withdrawal of investments, and a general decline in production. Despite these substantial challenges, the Yemeni private sector has demonstrated resilience and adaptability under adverse conditions. Many industrial and service organizations have adopted various adaptive strategies, such as modifying production lines or altering business models to sustain their operations.

From a theoretical perspective, organizations striving for survival and continuity under challenges similar to those faced by Yemeni business organizations must prioritize the development of their strategies and the alignment of their organizational structures to effectively respond to environmental changes. This alignment enables organizations to sustain operations, achieve growth, or maintain satisfactory performance levels.

To examine these theoretical assumptions, the researchers conducted a brief exploratory study through informal interviews with fifteen managers from various industrial and service business organizations in Yemen, leveraging personal connections. Upon analyzing and organizing the collected data, it was evident that Yemeni business organizations face several challenges, among which the most relevant to this study are:

- Some organizations have made changes to their strategies in response to the aforementioned changes in their operating environment. However, no corresponding adjustments have been made to their organizational structures to align with these strategic changes.
- Some organizations have made changes to their organizational structures, either unrelated or aligned with their strategies. However, it appears that this alignment was not effective due to the leadership's limited understanding of its significance and implications, as well as inadequate knowledge and experience regarding alignment. Consequently, many organizations do not take any measures to achieve alignment between their organizational structure and strategy.
- There were variations in the information obtained regarding the performance of Yemeni business organizations under the continued adverse environmental conditions. However, most of the interviewed managers indicated that the performance levels of their organizations during the years from 2020 to 2023 have been satisfactory. Some mentioned stable growth, while others noted that financial performance had been poor prior to 2020 but improved during the years from 2020 to 2023.

Based on the above findings, the research problem can be summarized in the following question: What is the level of impact of aligning organizational structure and strategy on the performance of Yemeni business organizations? This primary question gives rise to the following sub-questions:

- What form of organizational structure and strategy typology prevails in Yemeni business organizations?
- What is the level of alignment between organizational structure and strategy in Yemeni business organizations?

1.2. Conceptual framework

The following conceptual framework has been developed and tested (Figure 1).

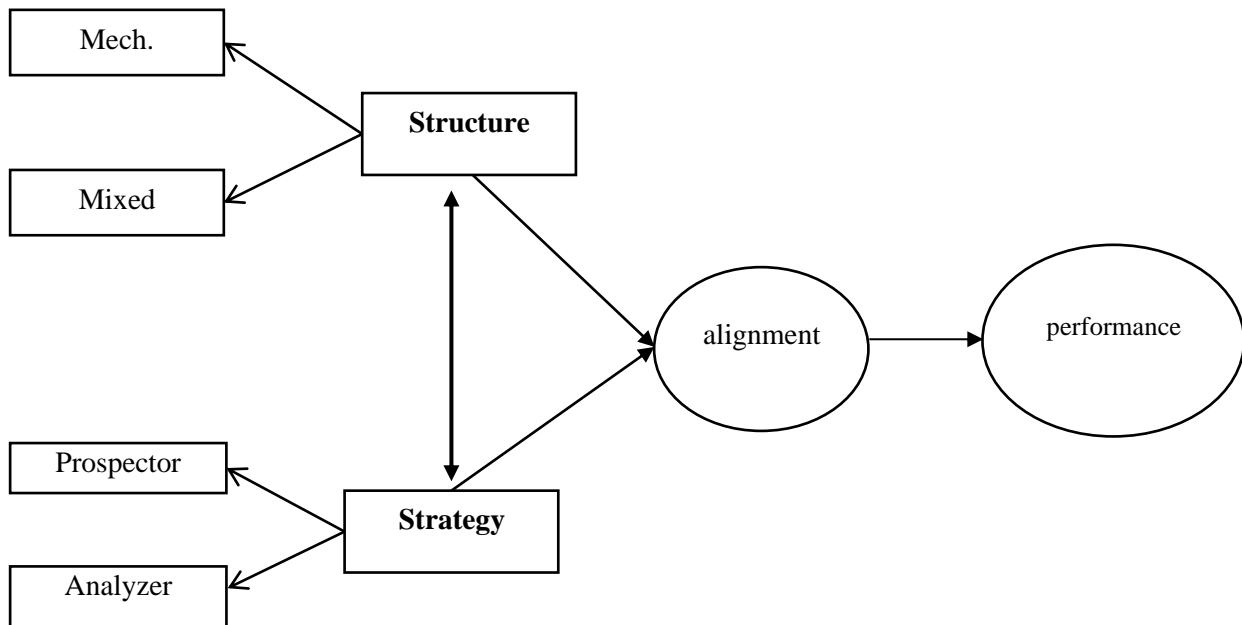


Figure 1 Conceptual framework.

2. Literature Review and Hypotheses Development

2.1. First hypothesis

The initial interest in aligning organizational structure with strategy traces back to Chandler's (1962) study, which concluded that a diversification strategy necessitates a divisional structure, encapsulated in his famous phrase, structure follows strategy. Over the decades, numerous researchers studying the theoretical and practical relationship between structure and strategy have yielded both similar and divergent results from Chandler's, leading scholars to shift focus from which precedes the other to emphasize their dynamic interaction over time. This topic remains relevant and continues to be investigated, including through this study.

Organizational structure is a fundamental component of any organization's internal environment, delineating roles, responsibilities, and authority, and establishing communication and information exchange networks across organizational levels. The purpose of the structure is to enable efficient and effective strategy execution. Organizations thus select structures that align with their strategies, as structure is key to successful implementation (Al-Ghalabi & Idris, 2009). Alignment is achieved when an organization's structure is compatible with its chosen strategy. Although several studies have confirmed the correlation between structure and strategy alignment (Al-Amin & Fareed, 2001; Hussein, 2005; Al-Zoubi & Al-Sabagh, 1998; Abbas & Raheem, 2020; Alawi & Al-Bashabsheh, 2014) and indicated that organizations adapt their structure to suit their strategy (Fouad, 2011), other studies have shown weak correlations (Jacobsen & Johnsen, 2020; Al-Dabbagh & Al-Khafaji, 2010) or noted an absence of alignment (Al-Na'imi & Khudair, 1990).

So, this study expects a significant alignment between organizational structure form and strategy typology. To test this, the following hypothesis is proposed:

H1: There is a statistically significant positive correlation (alignment) between organizational structure form (mechanistic, mixed) and strategy typology (prospector, defender, analyzer). Sub-hypotheses:

H1.1 There is a statistically significant alignment between the mechanistic structure and the defender strategy.

H1.2 There is a statistically significant alignment between the mixed structure and the analyzer strategy.

H1.3 There is a statistically significant alignment between the organic structure and the prospector strategy.

2.2. Second hypothesis

Organizational structure and strategy are among the most critical internal factors of any organization, playing a central role in achieving higher performance levels. High performance may require that organizational structure align with strategy since structure integrates the organization's various activities and resources and must be designed according to strategic requirements (Al-Mutairi, 2008). Numerous studies have demonstrated that aligning structure and strategy positively impacts various performance aspects, including overall performance (Aleksić & Jelavić, 2017; Jouirou & Kalika, 2004; Al-Muhammadi, 2011), strategic performance (Mansouri & Mansouri, 2018; Al-Amin & Fareed, 2001), profitability, and market share (Al-Mutairi, 2008), financial performance (Al-Asmakh, 2016; Hamilton & Shercill, 1992), and employee performance (Al-Mari & Hamdan, 2019).

According to Miles and Snow (1978), each strategy typology (prospector, defender, analyzer) possesses distinct characteristics related to market choice, specific types of technology, and an appropriate organizational structure that align with it. Just as a stable environment necessitates a mechanistic organizational structure, an unstable environment requires an organic structure. Organizations employing the defender strategy operate in a stable environment, making the mechanistic structure most suitable for them. On the other hand, organizations using the prospector strategy thrive in highly dynamic environments, heavily relying on innovation, and are best suited to an organic organizational structure. Meanwhile, organizations adopting the analyzer strategy, which is a blend of both the prospector and defender strategies, are most compatible with a mixed organizational structure.

Several studies further indicate that aligning the structure form with an appropriate strategy positively affects organizational performance. For instance, aligning a functional structure with a differentiation strategy leads to high performance (Isaac et al., 2019; Saffarzadeh & Jandaghi, 2013), while aligning a differentiation strategy with an organic structure enhances performance (Nyokabi et al., 2019). Moreover, the organic structure yields moderate performance when aligned with an analyzer strategy and high performance when aligned with an entrepreneurial strategy (Sadeghi, 2011). There is a strong impact when the analyzer strategy is aligned with formal structures (Fatima, 2016; Mohammed et al., 2017), and organizations perform better when an organic structure aligns with the prospector strategy, while a mixed structure aligns with the analyzer strategy (Olson et al., 2005). Positive alignment also exists between transnational strategies and matrix structures, impacting return on assets (Blackwell, 1997). Matching a mechanistic structure with a cost leadership strategy and a mixed structure with both differentiation and focus strategies results in high performance (Al-Shahed & Obaidat, 1989). Organizations achieving alignment between an organic structure and prospector strategy, or mechanistic structure and defender strategy, demonstrate superior performance compared to those without alignment (Jennings & Hindle, 2004; Jennings & Seaman, 1994; Payne, 2001). These findings underscore that selecting an organizational structure compatible with strategy is a key factor in achieving high performance.

So, this study also expects that aligning organizational structure with strategy impacts organizational performance. To test this, the following hypothesis is proposed:

H2: There is a statistically significant positive effect of alignment between organizational structure form (mechanistic, mixed) and strategy typology (prospector, analyzer) on organizational performance. Sub-hypotheses:

H2.1 There is a statistically significant positive effect between the alignment of mechanistic structure and prospector strategy on organizational performance.

H2.2 There is a statistically significant positive effect between the alignment of mixed structure and prospector strategy on organizational performance.

H2.3 There is a statistically significant positive effect between the alignment of mechanistic structure and analyzer strategy on organizational performance.

H2.4 There is a statistically significant positive effect between the alignment of mixed structure and analyzer strategy on organizational performance.

3. Methodology

This study is a descriptive quantitative study.

3.1. Sample design and sampling method

The population of this study consists of all large industrial and service business organizations that have been in operation for more than 15 years, indicating their long-standing presence in the market and thus the importance of having a strategic orientation. Their extended market experience also implies a commitment to selecting appropriate strategies. The total size of the study population was (114) large industrial and service organizations. A stratified random sample of (43) large Yemeni business organizations (both industrial and service) was selected, consisting of (23) industrial organizations (i.e., pharmaceuticals, food products, cement, foam and plastics, packaging materials, cigarettes) and (20) service organizations (i.e., banks, insurance companies, hospitals, telecommunication companies).

The sample for this study consists of leaders in Yemeni business organizations, a purposive sampling method was used, which is a non-probability sampling technique where elements are selected from the target population based on their suitability and relevance to the study objectives. The target respondents were managers at the middle management level and above, as they are expected to be knowledgeable about the organization's strategy and performance levels. The sample consisted of (305) managers.

3.2. Study instrument

For the strategy typology scale, the study utilized the scale developed by Conant et al. (1990), which was also employed in studies by Benedetto and Song (2003), Desarbo et al. (2005), Gupta and Singh (2014), Jusoh and Parnell (2008), McLaren et al. (2011), O'Regan and Ghobadian (2005), and Sollosy (2013). The items of the scale were designed to reflect the actual behavior of business organizations, enabling participants to identify the actions or decisions their organizations actually undertake, thereby representing the realized strategy rather than the intended strategy.

For the organizational structure scale, the study adopted a scale from Fouad et al. (2021) and Diop and Zahra (2015). For the alignment between organizational structure and strategy scale, the authors developed a scale consisting of eight items that measure the practices undertaken by business organizations to achieve alignment. The study also adopted the organizational performance scale from Jusoh and Parnell (2008) and Mon et al. (2019), which consists of (23) items distributed across the dimensions of the Balanced Scorecard (BSC). A seven-point Likert scale was used (Strongly Agree, Highly Agree, Agree, Somewhat Agree, Disagree, Highly Disagree, Strongly Disagree). To ensure accurate results, respondents were also asked to specify changes in organizational performance using a scale ranging from (Increased Significantly, Increased Considerably, Increased Slightly, No Change, Decreased Slightly, Decreased Considerably, Decreased Significantly) during the period of the strategic plan's implementation, similar to the studies conducted by Jusoh and Parnell (2008) and Chatzoglou et al. (2018).

3.3. Validity and reliability of the study instrument

The questionnaire was reviewed by ten experts to make sure that each item is measuring exactly what is intended to be measured. The reliability of the study instrument was measured using Cronbach's Alpha coefficient, which amounted to (0.965) for all items. This value exceeds (0.7), indicating that the questionnaire instrument possesses a high level of reliability (Sekaran & Bougie, 2016).

3.4. Normality test of data

The Kolmogorov-Smirnov test was used to determine the data distribution. It was found that the significance level (i.e., sig) for all study variables was less than the significance level (0.05), indicating that the data do not follow a normal distribution. This may be attributed to the variability in the responses of individuals from the sample across (43) different business organizations (industrial and service), which differ in their fields of activity, the strategies they employ, and their performance levels. Consequently, the statistical software Smart PLS (4) was used, as it does not require the data to follow a normal distribution.

4. Results and Discussion

4.1. Descriptive analysis of strategy typology

The majority rule was utilized to determine the prevailing strategy typology in Yemeni business organizations, classifying the organizations according to the highest mean score, similar to the studies conducted by Lichtenstein (2005), Desarbo et al. (2005), Conant et al. (1990), Jusoh and Parnell (2008), Gupta (2015), and Parnell and Wright (1993). Table 1 illustrates the descriptive analysis of strategy typologies categorized by field of activity.

Table 1 Descriptive analysis of strategy typology according to sectors.

Strategy	Industrial Sector	Service Sector	Total	Mean	S. D
Analyzer	6	4	10	5.86	1.017
Prospector	16	14	30	5.71	0.884
Defender	1	2	3	5.05	1.035
Total	23	20	43	--	--

Table 1 reveals a close similarity between the number of industrial and service business organizations for each strategy typology. The prospector strategy ranks first as the most common strategy, being employed by approximately (70%) of Yemeni business organizations. This suggests that there are numerous available and untapped opportunities within the Yemeni business environment, which motivates many organizations to seize these opportunities by responding to environmental changes and offering new and innovative products. The changing environmental factors, along with logistical and other

challenges, drive Yemeni business organizations to further prioritize analyzing the surrounding environment and to respond quickly to identify and exploit opportunities to maximize profits. This is the primary focus of organizations adopting the prospector strategy.

The analyzer strategy ranked second, with four service organizations (banks) and six industrial organizations following it. The adoption of the analyzer strategy by banks is considered natural, as this strategy aims to minimize risks and is characterized by caution and deliberation. Banks are reluctant to introduce new products or enter new markets until their viability has been confirmed. Nonetheless, the results also show that six industrial organizations follow the analyzer strategy, reflecting their desire to reduce risk. On the other hand, the results indicate that six banks have adopted the prospector strategy, and similarly, all five hospitals included in the study sample have also adopted this strategy, which suggests that these organizations are keen to seize available opportunities in the market.

The defender strategy was the least followed, adopted by two service organizations (telecommunications and insurance) and one industrial organization (pharmaceuticals). Organizations that adopt the defender strategy tend to ignore changes in the surrounding environment, focusing heavily on cost control and price reduction. Consequently, these organizations identify a specific segment of the market in which they operate with stability and strive to maintain it, offering a limited range of products that are minimally developed.

4.2. Descriptive analysis of organizational structure form

To determine the predominant form of organizational structure in Yemeni business organizations, the weighted mean values of the dimensions of organizational structure (formalization, centralization, and complexity) were utilized. High scores from respondents on the Likert scale indicate a mechanistic organizational structure, whereas lower scores indicate an organic structure, and intermediate scores indicate a mixed structure (Dust et al., 2014; Jennings & Seaman, 1994).

Table 2 indicates the absence of an organic organizational structure, which is characterized by low levels of centralization, formalization, and complexity. The descriptive analysis of the forms and dimensions of organizational structure did not reveal the existence of an organic structure among Yemeni business organizations, as the weighted mean for all dimensions of organizational structure was greater than (3.5). This can be explained by the fact that Yemeni business organizations, as represented by their senior and middle management, have not yet reached the maturity level necessary to adopt an organic organizational structure. The adoption of an organic structure requires senior leadership to exhibit a high level of flexibility and focus more on outcomes rather than routine processes. It also requires middle managers to possess advanced skills and capabilities that enable them to handle various tasks and make appropriate decisions in a timely manner. Due to the absence of these conditions, senior management in Yemeni business organizations does not delegate significant authority or grant autonomy to managers, which in turn restricts their freedom in deciding what needs to be done, when, and how to do it. Consequently, everything is governed by written policies, rules, and procedures.

Table 2 Descriptive analysis of organizational structure type according to sectors.

Organizational Structure type	Industrial Sector			Service Sector			Total		
	\bar{X}	SD	Organizations	\bar{X}	SD	Organizations	\bar{X}	SD	Organizations
Mechanistic structure	5.38	0.74	12	5.42	0.70	12	5.40	0.72	24
Mixed structure	4.82	0.62	11	4.61	0.68	8	4.73	0.65	19
	5.11	0.74	23	5.08	0.80	20	5.09	0.76	43

Table 2 also shows that the mechanistic organizational structure is prevalent in approximately (56%) of the Yemeni business organizations sampled in the study. This form of structure reflects a traditional perspective and is also known as the bureaucratic model. It is characterized by high levels of centralization, formalization, and complexity. This can be explained by the constantly changing environmental conditions in Yemen, which have compelled Yemeni business organizations to ensure stringent control over internal aspects of the organization. This is achieved through centralized decision-making, reduced employee autonomy in activities, and elevated formalization levels that dictate and regulate employee behavior through formal rules and procedures—elements typically provided by a mechanistic structure.

As for the mixed organizational structure, it is adopted by approximately (44%) of the Yemeni business organizations sampled in the study. This structure lies between the organic and mechanistic structures, characterized by moderate levels of centralization, formalization, and complexity. The adoption of the mixed structure can be explained by its combination of stability and flexibility, allowing for the maintenance of certain levels of control while granting managers greater freedom in decision-making within their respective domains, which enhances creativity and innovation.

4.3. Descriptive analysis of alignment between organizational structure and strategy

To determine the extent to which Yemeni business organizations implement actions to achieve alignment between organizational structure and strategy, Table 3 shows that the level of implementation of such alignment practices was slightly

elevated across prospector, defender, and analyzer organizations. However, analyzer organizations were the most active in aligning organizational structure with strategy, while defender organizations exhibited the lowest level of alignment between their structure and strategy.

Regarding the alignment of strategy typology with organizational structure according to Miles and Snow's (1978) theory, Table 4 indicates that there is one organization whose strategy (defender) aligns with its organizational structure (mechanistic). Additionally, there are three organizations whose strategy (analyzer) aligns with their structure (mixed). However, (39) organizations do not achieve alignment between their organizational structure and strategy, including (30) prospector organizations. This lack of alignment is attributed to the absence of an organic structure, suggesting that the concept of aligning organizational structure with strategy remains unclear and its application is weak in most Yemeni business organizations.

Table 3 Descriptive Analysis of alignment between organizational structure and strategy

Variable	Prospector (n=202)		Defender (n=18)		Analyzer (n=85)		All (N=305)	
	\bar{X}	S	\bar{X}	S	\bar{X}	S	\bar{X}	S
alignment	4.85	1.00	4.24	1.21	5.00	1.25	4.85	1.09

Table 4 Strategy typology distributed by business sector and organizational structure type.

Structure	Industrial Sector (n=163)		Service Sector (n=142)		Total (N=305)		Total
	Mechanistic structure	Mixed structure	Mechanistic structure	Mixed structure	Mechanistic structure	Mixed structure	
Analyzer	4	2	3	1	7	3	10
Prospector	8	8	8	6	16	14	30
Defender	0	1	1	1	1	2	3
Total	12	11	12	8	24	19	43

4.4. Testing the first hypothesis

Table 5 reveals a weak yet statistically significant positive alignment between the mechanistic structure and the prospector strategy. In contrast, the correlation between the mixed structure and the prospector strategy was also weakly positive. Consequently, the first and second sub-hypotheses are accepted, suggesting that the prospector strategy aligns more effectively with the mixed structure than with the mechanistic structure. This is because the mechanistic structure, characterized by high levels of centralization, formalization, and complexity, restricts the flexibility necessary for the prospector strategy. This strategy seeks new market opportunities and requires considerable flexibility in decision-making and greater autonomy for employees to respond quickly to changes. Therefore, the mechanistic structure is not highly suitable for the prospector strategy, which needs a structure that provides significant flexibility for rapid adaptation.

Table 5 Correlation matrix.

Strategy	Mechanistic structure	Mixed structure
Prospector	.270**0	.302*0
Sig.	0.008	0.002
N	96	106
Analyzer	.594**0	---
Sig.	0.000	---
N	67	---

*Statistically significant at the level ($\alpha \leq 0.05$)

** Statistically significant at the level ($\alpha \leq 0.01$)

Regarding the alignment between the mechanistic structure and the analyzer strategy, there was a moderately positive and statistically significant correlation, with a strong association with formalization and weaker associations with centralization and complexity. This indicates that the analyzer strategy can effectively align with the mechanistic structure. Thus, the third sub-hypothesis is accepted.

4.5. Testing the second hypothesis

This study utilized the partial least squares (PLS) technique to evaluate the proposed model and conduct hypothesis tests. The alignment between organizational structure form and strategy typology was measured using the fit-as-moderator



perspective, as proposed by Venkatraman (1989), where $Y = f(X, Z)$. (Y) represents organizational performance, (X) represents strategy, (Z) represents organizational structure, and (X, Z) represents the interaction effect, capturing the alignment between organizational structure form and strategy typology. Path analysis was conducted using the statistical software (Smart PLS 4). Table 6 presents the results of the path analysis.

Table 6 Path analysis.

Paths of the Sub-Hypotheses	R ²	Beta	SD	T	P Value	Decision
Alignment of Mechanistic Structure and Prospector Strategy -> Organizational Performance	0.019	0.137	0.100	1.370	0.171	unsupported
Alignment of Mixed Structure and Prospector Strategy -> Organizational Performance	0.369	0.608	0.073	8.278	0.000*	supported
Alignment of Mechanistic Structure and Analyzer Strategy -> Organizational Performance	0.622	0.789	0.085	9.305	0.000*	supported
Alignment of Mixed Structure and Analyzer Strategy -> Organizational Performance	0.379	0.615	0.089	6.897	0.000*	supported

*Statistically significant at the level ($\alpha \leq 0.05$)

Table 6 and the P-Value results indicate the following:

1. There is no significant positive impact of alignment between the mechanistic structure and the prospector strategy on organizational performance, as the P-Value exceeded the significance threshold, leading to the rejection of the first sub-hypothesis.
2. There is a positive impact of alignment between the mixed structure and the prospector strategy on organizational performance, with an R² value of (0.369). This indicates that aligning the prospector strategy with a mixed structure accounts for (36.9%) of the variation in organizational performance, with the remaining variance attributed to other factors. The Beta coefficient (0.608) suggests that a one-unit increase in the alignment between the mixed structure and the prospector strategy results in a (60.8%) increase in organizational performance. Therefore, the second sub-hypothesis is accepted.
3. There is a positive impact of alignment between the mechanistic structure and the analyzer strategy on organizational performance, with an R² value of (0.622). This implies that the alignment of the analyzer strategy with the mechanistic structure explains (62.2%) of the variation in organizational performance, with the remaining variance due to other factors. The Beta coefficient (0.789) indicates that a one-unit increase in the alignment between the analyzer strategy and the mechanistic structure would lead to a (78.9%) improvement in performance. Consequently, the third sub-hypothesis is accepted. This finding aligns with the results of Fatima (2016), Gupta & Singh (2014), and Mohammed et al.(2017) .
4. A positive impact was also observed for the alignment between the mixed structure and the analyzer strategy on organizational performance, with an R² value of (0.379). This means that aligning the analyzer strategy with the mixed structure accounts for (37.9%) of the variance in performance, with the rest attributed to other factors. The Beta coefficient (0.615) indicates that a one-unit increase in the alignment between the mixed structure and the prospector strategy would increase organizational performance by (61.5%), supporting the acceptance of the fourth sub-hypothesis.

5. Conclusion

- 5.1. The mechanistic organizational structure and the prospector strategy are predominant in Yemeni industrial and service business organizations.
- 5.2. The Yemeni business organizations included in the study have not reached a sufficient level of maturity to adopt an organic organizational structure.
- 5.3. There is a significant lack of attention among Yemeni business organizations to align the chosen strategy with the corresponding appropriate form of organizational structure.
- 5.4. The level of implementation of actions by Yemeni business organizations to achieve alignment between organizational structure and strategy was relatively high.
- 5.5. The level of alignment between the form of organizational structure and the strategy typology was almost non-existent.
- 5.6. The prospector strategy moderately aligns with the mixed organizational structure and weakly aligns with the mechanistic structure, while the analyzer strategy shows a high level of alignment with the mechanistic structure.

- 5.7. Aligning a mechanistic structure with an analyzer strategy leads to improved overall organizational performance compared to aligning a mixed structure with a prospector strategy.
- 5.8. There is no impact of aligning the mechanistic structure with the prospector strategy on organizational performance.

6. Recommendations

After discussing and interpreting the results and presenting the conclusions, several recommendations can be made to the managerial leadership of Yemeni business organizations:

- 6.1. Implement training programs to enhance the knowledge and skills of managers in prospector organizations across various work domains, enabling them to adopt the organic organizational structure.
- 6.2. Gradually introduce flexibility into the mechanistic organizational structure in both prospector and analyzer organizations to achieve a balance between efficiency and flexibility, enabling rapid response to environmental changes and the achievement of objectives.
- 6.3. Emphasize the necessity of enhancing managers' understanding of aligning organizational structure with strategy and methods to achieve this alignment.
- 6.4. Focus on developing procedures related to achieving alignment between organizational structure and strategy so that they become direct and automatic.
- 6.5. Continuously review the selected strategy and adapt it according to environmental changes, consistently implementing procedures to align it with the organizational structure.
- 6.6. Consider both the organization's stage in its life cycle and the leadership style when adapting the organizational structure to align with the strategy.
- 6.7. Establish a dedicated function under senior management responsible for monitoring and tracking changes in the surrounding environment, allocating the necessary human and financial resources.
- 6.8. Conduct periodic studies and analyses to measure the level of alignment between the organization's strategy and its organizational structure, taking appropriate measures to achieve this alignment.
- 6.9. Perform regular evaluations of overall performance to identify strengths and enhance them, as well as pinpoint weaknesses and address them.

7. Limitations

The small sample size: Although the total sample size comprised (305) managers, the main sample was divided into sub-samples based on strategy typology and organizational structure. This division resulted in a small sample size for the organizations and individuals within the study model, which should be considered when generalizing the results across all industries in different sectors.

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Ethical Considerations

The authors hereby declare that the Center for Business Administration for Postgraduate Studies at Sana'a University has approved this research. Permission has been obtained from the industrial and service business organizations (the research population) in Yemen to distribute the study questionnaire within their organizations. All participants have consented to participate in the study and are fully aware of its purpose and subject. Additionally, no personal information about the participants has been collected.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

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