

An Examination of some relationships of size and organizational structural variables to organizational behavior and performance in Indonesia: a comparative, empirical study

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Abstrak

The Five Year Plan closely guides economic development in Indonesia. Starting from the first Five Year Plan, covering the period 1969-1974, the emphasis was shifted from rehabilitative operations to substantial economic development. The targets are to produce more of the traditional products and services in addition to building new organizations and manufacturing plants capable of producing new goods and services, which previously have been imported. In this phase of economic development, institutional and organizational problems often hampered the realization of specified targets. The introduction of empirical macro organization research at the present time will be important, because it may create an instrument for observing and analyzing organizational data to detect past errors and suggest ways of problem resolution. Such research can also help in designing good organization. The resulting higher organizational efficiency and productivity should provide more certainty in achieving those targets set in the Five Year Plan.

The focus of the study will be on the formal aspects of organizational structure, which is defined as the internal differentiation and patterning of relationships. The justification for this study is that size, complexity, centralization, formalization and coordination are those internal properties that fall under the realm of managerial prerogatives. When correctly applied to the particular situation, these principles will provide invaluable guides to the construction of a rational-efficient framework for managing. The assumption that: given the general purpose of an organization, one can identify the basic functions and structure necessary for the realization of this purpose, will be the basis for the present empirical investigation.

Choice of Organizational Model

Conditions external to the organization contribute to what goes on within the organization, the form that the organization takes, and the consequences of its action. In order to survive, organizations must be able to adapt to the demand and turbulences of the environment. An aspect of the socio-cultural environment, which might be expected to exert a strong influence on the structure and behavior of formal organizations, is the structure of society itself, and the values and attitudes that this structure tends to generate.

As in other Asian countries, the managerial style in Indonesia is paternalistic and autocratic in nature. It is a direct personalized kind of control and the locus of authority is most often at the top.

Blau who states that, when an authoritarian orientation prevails in society, strict hierarchical control may be the most effective method of organizational administration makes a similar observation.

Another important characteristic of the socio-cultural environment is its degree of homogeneity. According

to Thompson, in heterogeneous environments such as those, which obtain the highly developed countries, organizations generally set up several specialized subunits, each assigned a specific area of the environment to deal with.³ Conversely, in relatively homogeneous environments such as those in predominantly agricultural societies in Asia and Africa, one would expect organizations to be less internally differentiated.