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Impact of Organizational Structure on Operational Excellence in Saudi Organizations

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Abstract

This study investigates the influence of organizational structure on operational excellence by examining how various structural models—hierarchical, flat, and team-based—impact key operational dimensions within organizations. Through a detailed, data-driven survey, the research assesses several factors including role clarity, decision-making speed, task flexibility, communication flow between departments, performance evaluation mechanisms, and responsiveness to operational changes.

Findings indicate that hierarchical structures excel in providing role clarity and structured performance systems, which are particularly effective in managing complex operations. Flat structures demonstrate higher agility and efficient task reassignment, contributing to faster decision-making and smoother cross-functional collaboration. Team-based structures, while fostering adaptability and collaboration, often lack the formal mechanisms needed to consistently manage operational complexity.

The study emphasizes that operational excellence is best achieved when the organizational structure is strategically aligned with the nature of work, level of complexity, and operational demands. Accordingly, it recommends selecting structure types that best suit the organization's context, improving interdepartmental communication, and periodically reviewing organizational design to maintain efficiency, adaptability, and continuous improvement.

Keywords: Organizational Structure, Operational Excellence, Performance, Efficiency

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1. Introduction

In light of the comprehensive national transformation underway in the Kingdom of Saudi Arabia—guided by Vision 2030 (https://www.vision2030.gov.sa)—organizations are increasingly required to adapt their administrative and operational systems to meet demands for greater efficiency, transparency, and responsiveness. Vision 2030, particularly under the pillar of "Effective Government", emphasizes the need to "raise the level of transparency, efficiency, and improve decision-making mechanisms" (Saudi Vision 2030, 2025). Achieving these objectives calls for the development of flexible, adaptive, and structurally sound organizational models that align with the complexity and fluidity of modern operational environments.

In this context, operational excellence has become a strategic imperative for organizations seeking to remain competitive and relevant in fast-evolving markets. It is no longer viewed as a supplementary goal, but as a fundamental requirement for ensuring performance quality, resource optimization, and sustained value delivery. Operational excellence entails the continuous improvement of processes, clarity of responsibilities, efficiency in decision-making, and adaptability to internal and external change (George, 2002; Ibrahim et al., 2023; Salih and Dolah, 2023).

Among the organizational enablers of operational excellence, organizational structure plays a central role. It defines the formal distribution of roles, reporting lines, authority, and communication pathways. Several recent studies and reports have emphasized the impact of structure on institutional performance. For instance, the Saudi Data and Artificial Intelligence Authority (SDAIA) noted that aligning workflows with operational demands—particularly in key sectors like water and energy—has led to measurable improvements in performance outcomes (SDAIA, 2023). Similarly, a report by Avalon Consulting (2025) on Saudi outsourcing firms indicated that structural clarity, supported by data-driven design, enhanced competitiveness and improved service delivery across operations.

Research conducted at Taif University further reinforces this link: integrating strategic agility into the organizational structure was found to significantly reduce inefficiencies and improve administrative performance (Al-Jaeed, 2024). These findings suggest that organizational design is not merely a structural formality—it is a strategic tool that directly supports operational excellence.

Accordingly, this study aims to examine the impact of different organizational structure models—hierarchical, flat, and team-based—on key pillars of operational excellence within Saudi organizations. Using a data-driven, quantitative approach, the research explores how structure influences role clarity, communication flow, decision-making speed, flexibility, and performance monitoring.

1.1. Problem Statement

Saudi Vision 2030 represents an ambitious roadmap guiding the Kingdom toward a future marked by greater efficiency, innovation, and global competitiveness. This national vision has laid a comprehensive framework for restructuring the public, private, and non-profit sectors by emphasizing principles of governance, performance

enhancement, service quality improvement, and the promotion of transparency and accountability.

In this context, achieving operational excellence has become an essential priority for institutions seeking to align their performance with the long-term objectives and aspirations of Vision 2030. While notable progress has been made across several sectors, many Saudi organizations continue to face real challenges in attaining high levels of operational efficiency and institutional responsiveness.

Among the key organizational enablers, organizational structure plays a pivotal role—either supporting or hindering performance—depending on how well it aligns with the nature and complexity of operations.

This study seeks to contribute to bridging this gap by analyzing the relationship between structural models and operational efficiency within the Saudi work environment, in a way that supports the alignment of institutional frameworks with the strategic goals of Vision 2030.

1.2. Research Objectives

RO1: To analyze how communication flow between departments is affected by structural form, and its role in enabling timely and efficient operations.

RO2: To assess the relationship between role clarity and structural design, and how this relationship contributes to operational efficiency and accountability.

RO3: To examine the impact of different organizational structures (hierarchical, flat, and team-based) on key components of operational excellence within Saudi organizations.

Research Objective	**Survey statement**
RO1: Impact of Communication Flow	S1
RO2: Role Understanding	S2 ,S3
RO3: Operational Efficiency	S4, S5, S6, S7, S8, S9, S10

2. Literature Review

The relationship between organizational structure and operational excellence has been widely explored in both global and local literature, emphasizing that the effectiveness of any operational system is heavily influenced by how work is organized, roles are defined, and communication flows across an organization. This study aligns with that discourse by examining how hierarchical, flat, and team-based structures affect key dimensions of operational excellence such as role clarity, flexibility, communication efficiency, performance evaluation, and continuous improvement, particularly within Saudi institutions.

Organizational structure serves as a fundamental mechanism for driving institutional performance, as it determines how tasks are coordinated, authority is distributed, and decisions are made. Burton et al. (2020) emphasize that the effectiveness of a structure depends on how well it aligns with the complexity and dynamics of the organizational

environment. This becomes particularly relevant in Saudi Arabia, where Vision 2030 is leading a nationwide transformation across public and private sectors.
The goals of Vision 2030 are closely linked to the need for structural reform. The Vision aims to enhance government efficiency, strengthen governance and accountability, improve service quality, boost productivity, and promote innovation. Achieving these goals requires organizations to redesign their structures to support faster decision-making, clarify roles and responsibilities, improve communication flow, and respond effectively to change.

For instance, one of Vision 2030's explicit targets is to improve Saudi Arabia's ranking in global governance and institutional performance indices. This cannot be achieved without clear, agile, and performance-oriented organizational structures. Moreover, increasing inter-agency coordination and improving implementation efficiency demand the reduction of bureaucratic layers and the adoption of structures that support cross-functional collaboration and decentralization.

Achieving operational excellence fundamentally depends on the organizational structure's ability to enable effective execution, followed by its capacity to support adaptability, and finally its role in fostering innovation within evolving operational environments.

2.1. Operational Excellence: A Structural Perspective

Operational excellence is defined not merely by efficiency, but by an organization's ability to consistently deliver value through process optimization, agility, and continuous improvement. This concept extends beyond traditional cost-saving measures, emphasizing innovation, adaptability, and the strategic alignment of operations with organizational goals.

Scholarly literature highlights that achieving and sustaining operational excellence is deeply influenced by the organizational structure, which shapes how decisions are made, roles are defined, and communication flows across functions. Ibrahim et al. (2023) emphasize that the successful implementation of Total Quality Management (TQM) principles relies heavily on the structural design of the organization—particularly in ensuring clarity of accountability and efficient internal coordination.

Different structural models offer distinct operational advantages: hierarchical structures often provide stability and clear authority lines; flat structures support faster decision-making and greater adaptability; and team-based structures foster collaboration and innovation. However, each model also presents challenges, especially when misaligned with the organization's size, complexity, or strategic direction.

Thus, selecting an appropriate structure is not a one-size-fits-all decision, but rather a strategic necessity. The effectiveness of any structural model lies in its alignment with the organization's operational needs and its capacity to support long-term excellence through flexibility, clarity, and continuous improvement.

2.2. Comparing Structural Models: Global and Saudi Insights

2.2.1. Hierarchical Structures

Hierarchical structures are traditionally praised for providing control, formal authority, and clearly defined roles and responsibilities. These attributes are vital for ensuring operational stability, particularly in environments where regulation, risk management, and procedural discipline are paramount. In theory, such clarity supports excellence in executing complex, repetitive tasks. However, global literature cautions against the inflexibility of hierarchical models. According to Daft (2021), these structures are often slow to adapt, inhibiting the agility and responsiveness essential for operational excellence in dynamic markets. Our study supports this perspective: organizations with hierarchical structures reported significant challenges in task reassignment and interdepartmental information flow, both of which are key to efficient operations.

Centralized organizational structures often encounter challenges such as role duplication and delays, which can undermine operational efficiency and hinder responsiveness.

2.2.2. Flat Structures

Flat structures emphasize decentralized decision-making, horizontal communication, and employee empowerment. Globally, they are associated with organizational agility and rapid decision cycles (Cunha et al., 2020), allowing teams to respond quickly to operational shifts. This is consistent with local evidence. A recent Saudi study by Al-Jaeed (2024) on strategic agility at Taif University found that flatter structures significantly enhanced operational adaptability and contributed to higher levels of operational excellence through flexibility and fast decision-making. In our own study, 92.8% of respondents working under flat structures reported a high ability to adapt quickly to changes, citing fewer bureaucratic barriers and faster cross-functional collaboration.

However, these benefits often come with trade-offs. Flat structures may lack the consistency and standardization in decision-making found in more hierarchical models (Anicich et al., 2024). The absence of clearly defined authority lines can lead to ambiguity in accountability, uneven implementation of decisions, and potential confusion over who is responsible for critical outcomes. Furthermore, without strong coordination mechanisms, flat organizations may struggle with aligning actions across departments or maintaining strategic coherence, particularly as organizational size and complexity grow.

Therefore, while flat structures support speed, flexibility, and innovation—core tenets of operational excellence—they also require well-defined processes and shared norms to mitigate the risks of fragmented decision-making and diluted accountability.

2.2.3. Team-Based Structures

Team-based structures rely on cross-functional collaboration and collective problem-solving, making them effective in environments that require innovation, flexibility, and diverse expertise. These structures facilitate rapid information exchange and joint decision-making, which enhance responsiveness and creative performance.

However, their effectiveness depends heavily on the presence of clear structural elements such as role clarity, defined responsibilities, and internal coordination mechanisms. Our study found that role clarity was relatively weaker in team-based settings, often resulting in task overlap and accountability gaps. This suggests that collaboration alone is not sufficient to ensure operational efficiency; rather, structural design must support clear task distribution and clarify who is responsible for outcomes. Similarly, Al-Malki (2024), in a study on Saudi public schools, found that the absence of formal coordination systems within teams reduced performance effectiveness—not due to a lack of commitment, but because of missing organizational structures that support role distribution and accountability.

Therefore, the performance of team-based structures depends on integrating organizational elements that balance collaboration with operational discipline—such as clear role assignments, effective coordination protocols, and structured decision-making frameworks.

2.3. Saudi Organizational Context and Transformation

Saudi Arabia's Vision 2030 has served as a transformative national framework that actively drives structural reform across public, private, and nonprofit sectors. At its core, the Vision calls for improving institutional performance, streamlining governance, and fostering innovation—all of which depend heavily on effective and adaptive organizational structures.

A key example of this transformation is illustrated in the Saudi Data and Artificial Intelligence Authority (SDAIA)'s 2023 report, which emphasizes the importance of aligning workflows and operational structures in sectors such as water and energy. These sectors, traditionally known for their rigid bureaucracies, are now moving toward more integrated and responsive models. According to SDAIA, restructuring operations around functional workflows—rather than siloed departments—has led to measurable gains in efficiency, particularly in reducing service delays and improving inter-agency coordination.

In the outsourcing and service delivery sector, Avalon Consulting (2025) reported that Saudi firms adopting flatter, data-driven organizational models showed significant improvements in responsiveness and service quality. These firms have leveraged technology and reduced hierarchical layers to expedite decision-making, enhance cross-functional collaboration, and better meet client needs. This approach aligns directly with Vision 2030's emphasis on competitiveness and private sector empowerment.

In the higher education sector, Al-Jaeed (2024) examined Taif University's structural redesign and found that integrating strategic agility into administrative frameworks contributed to operational excellence. The university adopted a more flexible decision-making structure that empowered mid-level management and improved process responsiveness—leading to greater administrative efficiency and reduced operational bottlenecks.

Even in the nonprofit sector, where structural formalization is often less developed, Barnawi (2022) and Salih and Dolah (2023) noted that unclear structures and weak communication channels severely hindered operational development. Their findings reinforce the broader theme that structural clarity is not only necessary in large-scale public entities but is equally essential across all organizational types, regardless of size or sector.

Collectively, these examples demonstrate how Vision 2030 has catalyzed structural transformation across Saudi institutions by emphasizing the alignment of organizational design with operational goals. This shift reflects a growing national recognition that sustainable performance and operational excellence are deeply rooted in structural coherence, role clarity, and agility.

3. Methodology

3.1. Research Design

This study adopts a quantitative, cross-sectional research design aimed at examining the relationship between different types of organizational structures and their impact on operational excellence. Given the study's objectives, a survey-based approach was used to collect empirical data from participants working across various Saudi organizations. This method allowed for a structured, comparative analysis of hierarchical, flat, and team-based organizational models.

3.2. Sample

The target population consisted of employees and managers across multiple sectors in the Kingdom of Saudi Arabia, including public, private, and nonprofit institutions. A stratified purposive sampling technique was employed to ensure adequate representation of organizations with different structural designs.

- Total respondents: 51
- Distribution by structure:
    - Hierarchical: 27 participants
    - Flat: 14 participants
    - Team-based: 10 participants

The sample ensured diversity in organizational size, industry (e.g., education, government, technology, and services), and operational complexity, in alignment with Vision 2030 transformation sectors.

3.3. Instrumentation

A structured Likert-scale questionnaire was developed to measure perceptions across key operational excellence dimensions influenced by organizational structure. The instrument consisted of statements rated on a 5-point scale (1 = Strongly Disagree, 5 = Strongly Agree) and was divided into the following sections:

- Section A: Demographics (sector, position, experience, etc.)
- Section B: Type of organizational structure

- Section C: Statements measuring the following constructs:
    - Role clarity
    - Task flexibility and responsiveness
    - Information flow and communication
    - Performance evaluation mechanisms
    - Continuous improvement practices
    - Structural alignment with operational complexity
    - Institutional learning and adaptability

3.4. Data Collection

The data collection was conducted over a four-week period using online survey distribution channels. Participants were assured of the anonymity and confidentiality of their responses to ensure unbiased feedback.

3.5. Data Analysis Techniques

The collected data were analyzed using both descriptive and inferential statistical methods to ensure clarity and reliability. The analysis included frequencies, percentages, cross-tabulations, and Pearson correlation to examine relationships between operational excellence variables. In addition, One-Way ANOVA was applied to test for significant differences across organizational structure types.

To enhance interpretation and clarity, visual representations such as bar charts and pie charts were used to support the statistical findings and illustrate key patterns in the data related to role clarity, responsiveness, and structural flexibility.

6. Findings

The detailed findings are presented in the sections below, highlighting key trends, percentages, and comparisons across different organizational structures.

6.1. The Impact of Organizational Structure on Interdepartmental Information Flow and Its Role in Achieving Operational Excellence

Based on the data collected in response to the statement "Information flows smoothly and efficiently between departments in the organization," a clear relationship emerges between organizational structure and the effectiveness of interdepartmental communication—a key driver of operational excellence.

In hierarchical organizations, only 39.1% of respondents (9 out of 23) agreed that information flows smoothly, while 60.9% expressed neutral or negative views (5 neutral, 9 disagree, and 4 strongly disagree). This indicates that while hierarchical structures offer formal communication channels, excessive layers and rigid reporting lines may hinder the timely and smooth exchange of information across departments, which can slow down decision-making and weaken operational efficiency.

In flat organizations, the percentage of positive responses is even lower, with only 26.7% (1 strongly agree and 3 agree out of 15) indicating smooth information flow. A combined 46.7% (5 disagree and 2 strongly disagree) disagreed, and 20% were neutral.

This reflects the challenges flat structures face in the absence of clearly defined pathways for communication, which may result in informal, inconsistent, or fragmented information sharing that negatively impacts coordination and operational outcomes.

By contrast, team-based structures demonstrated significantly stronger results, with 88.9% of respondents (1 strongly agree and 7 agree out of 9) confirming smooth interdepartmental communication. Only one respondent disagreed, and one was neutral. These findings suggest that team-based environments, which typically emphasize collaboration, open communication, and cross-functional coordination, foster a more dynamic and effective flow of information—critical for maintaining high performance and agility in operations.

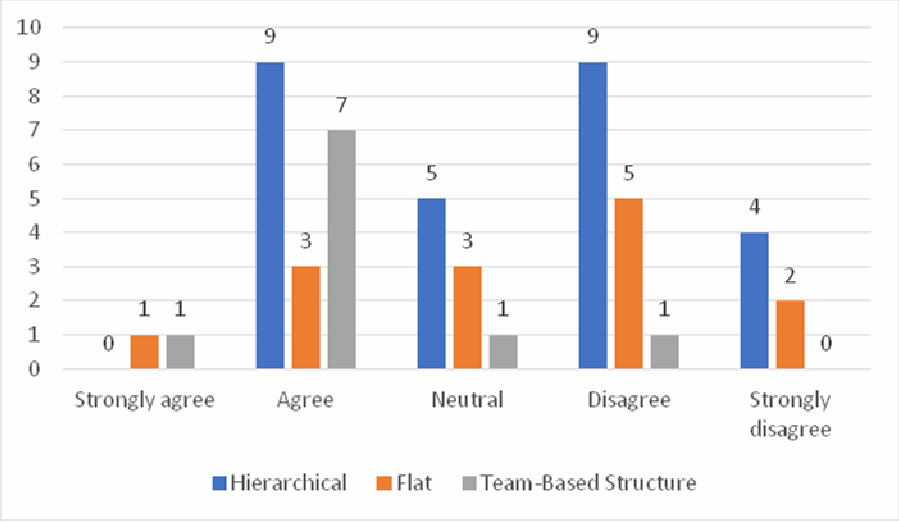
The results affirm that organizational structure plays a pivotal role in shaping communication dynamics, which in turn directly affect operational excellence. Smooth and efficient information flow enhances responsiveness, minimizes delays, and supports informed decision-making. Among the three structures, the team-based model appears most conducive to operational excellence due to its ability to facilitate real-time communication and collaborative problem-solving across departments.

Statement 1: Information flows smoothly and efficiently between departments in the organization.

Table 1: Information Flow

	Hierarchical	Flat	Team-Based Structure
Strongly agree	0	1	1
Agree	9	3	7
Neutral	5	3	1
Disagree	9	5	1
Strongly disagree	4	2	0

Figure 1: Information Flow



6.2. The Impact of Role Clarity Across Different Organizational Structures on Operational Excellence

Based on the responses to the statement, it is evident that organizational structure plays a critical role in shaping employees' understanding of their responsibilities—an essential component of operational excellence. In hierarchical organizations, out of 27 respondents, 70.4% agreed, and 3.7% strongly agreed, totaling 74.1% who indicated a clear understanding of their roles. Only 18.5% disagreed or strongly disagreed. This high level of clarity aligns with the characteristics of hierarchical structures, where defined authority, formal reporting lines, and structured job descriptions contribute to role precision, accountability, and alignment—all of which are foundational to achieving operational excellence.

In contrast, the picture is different in flat organizations, where out of 14 participants, only 28.6% agreed with the statement, while a concerning 50% disagreed and 21.4% remained neutral. This reflects a common challenge in flat structures: the reduced layers of authority and informal delegation of responsibilities may create ambiguity, overlapping tasks, and uncertainty about expectations. Such vagueness can directly undermine operational performance by causing inefficiencies, delays, and misaligned efforts.

Team-based organizations presented a mixed outcome. Among 10 respondents, 30% agreed, while 40% were neutral, and 30% expressed disagreement (including 10% strongly disagreeing). While team-based structures encourage collaboration, flexibility, and shared goals, they can also introduce ambiguity—especially when responsibilities are shared or rotate within teams without clear documentation or oversight. This may lead to confusion about who is accountable for specific outcomes, weakening consistency and execution quality.

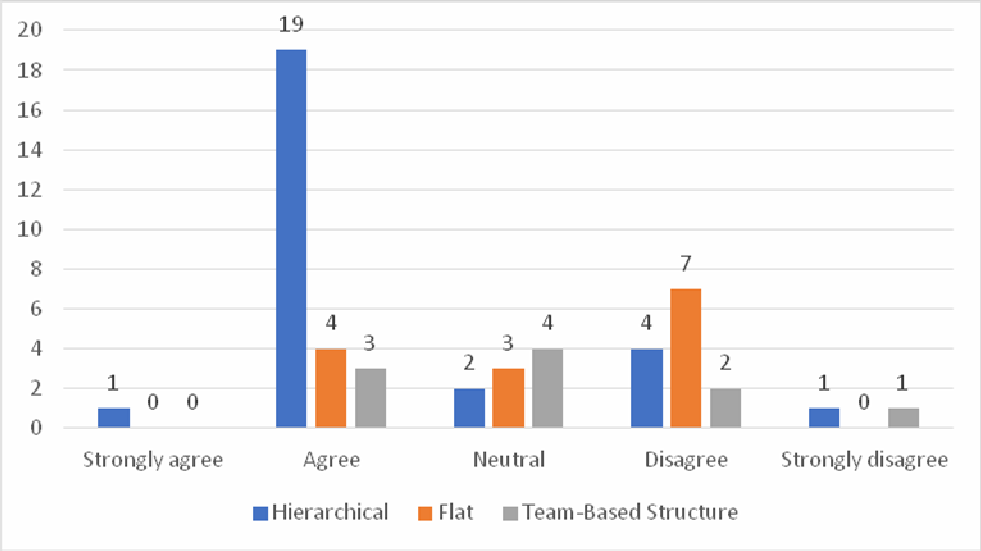
Overall, the data strongly suggest that clarity of role expectations is structurally influenced and directly linked to operational excellence. Hierarchical organizations demonstrate the most favorable conditions for role clarity, which supports efficient processes and high accountability. Conversely, flat and team-based structures may require deliberate strategies—such as clear role assignments, transparent communication, and defined performance standards—to overcome ambiguity and reinforce operational effectiveness. Ensuring that every employee fully understands their role is not only a function of structure but a strategic necessity for organizations striving for excellence in execution.

Statement 2: I fully understand what is expected of me in my current role.

Table 2: Role Understanding

	Hierarchical	**Flat**	**Team-Based Structure**
Strongly agree	1	0	0
Agree	19	4	3
Neutral	2	3	4
Disagree	4	7	2
Strongly disagree	1	0	1

Figure 2: Role Understanding



6.3. The Clarity of Task Distribution Across Organizational Structures

The findings related to the statement "There is no overlap or confusion between my duties and those of my colleagues" reveal notable differences in perceived role clarity across organizational structures—an essential element in fostering operational excellence. These differences emphasize how organizational structure directly shapes the distribution of responsibilities and affects the efficiency of collaboration and execution.

In hierarchical organizations, where clear chains of command and formal role definitions are typically established, 72% of respondents (4 strongly agree + 14 agree out of 25) confirmed the absence of overlap or confusion in duties. Only 8% (1 disagree, 1 strongly disagree) expressed dissatisfaction, while 20% remained neutral. These results affirm that hierarchical structures, by design, promote role segregation and clarity, reducing redundancy and conflict in task execution. This structural clarity supports operational excellence by enabling employees to focus on defined responsibilities, streamline workflows, and minimize inefficiencies.

In contrast, flat organizations exhibited significantly lower levels of role clarity. Out of 19 participants, only 36.8% (7 agree) agreed that their roles did not overlap with others, while 52.6% (10 respondents) disagreed, and 10.5% were neutral. The high level of disagreement reflects a common issue in flat structures—blurred boundaries due to minimal hierarchy and loosely defined roles, which can lead to task duplication, accountability confusion, and delays in execution. Such ambiguity undermines the ability to maintain high operational standards, as it complicates decision-making and coordination among peers.

Similarly, team-based organizations showed a substantial lack of role clarity. Among 10 respondents, only 30% (3 agree) agreed with the statement, while 60% (5 disagree and 1 strongly disagree) disagreed, and 10% were neutral. Although team-based structures are designed to encourage flexibility and collaboration, the results suggest that without clear role assignments, the collaborative environment can become

disorganized. Role ambiguity within teams can cause inefficiencies, task overlaps, and internal conflict—all of which pose risks to achieving operational excellence.

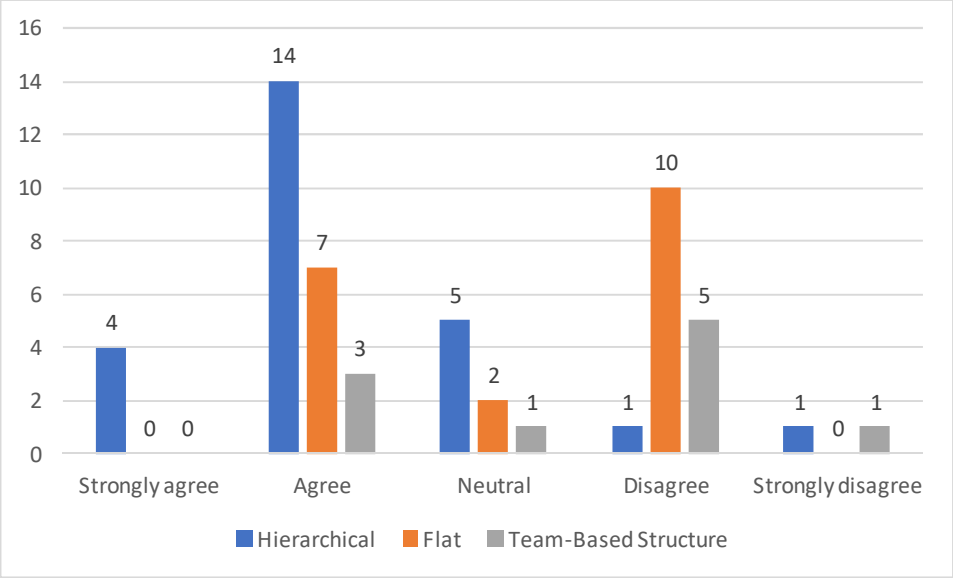
Overall, the data underscores a strong relationship between organizational structure and role clarity, which in turn has a direct impact on operational excellence. Hierarchical structures appear to be more effective in preventing role confusion due to their formalized division of labor. In contrast, flat and team-based structures, while offering flexibility and inclusivity, require additional mechanisms—such as clearly defined scopes of work, structured coordination practices, and role documentation—to overcome ambiguity and ensure operational efficiency. Enhancing role clarity, regardless of structure, remains a critical success factor for organizations striving for excellence in execution and performance.

Statement 3: There is no overlap or confusion between my duties and those of my colleagues.

Table 3: Clarity of Task Distribution

	Hierarchical	Flat	Team-Based Structure
Strongly agree	4	0	0
Agree	14	7	3
Neutral	5	2	1
Disagree	1	10	5
Strongly disagree	1	0	1

Figure 3: Clarity of Task Distribution



6.4. Operational Efficiency Across Organizational Structures

Operational efficiency—the ability to manage processes effectively and complete tasks on time—showed notable variation across different organizational structures, reflecting how structural design can directly influence daily performance and service delivery.

In hierarchical organizations, responses revealed a strong perception of efficiency. A significant 89% of respondents (25 out of 28) either strongly agreed (n=3) or agreed

(n=22) that operations are efficiently managed and completed on time. Only 7% (n=2) were neutral, and 4% (n=1) disagreed. These results suggest that hierarchical models, often characterized by clear lines of authority and procedural rigor, can contribute positively to timeliness and control in operational execution.

In contrast, flat organizations presented a more mixed perception. Only 42% of respondents (n=5 out of 12) agreed with the statement, 33% (n=4) remained neutral, and 42% (n=5) disagreed. This split response indicates that while flat structures may encourage autonomy and faster decision-making, they may also lack the procedural discipline needed for consistent execution, potentially affecting operational reliability.

Team-based structures reflected the lowest perception of efficiency among the three models. Only 22% (n=2 out of 9) agreed that operations are managed efficiently, 11% (n=1) were neutral, and a notable 67% (n=6) disagreed. The collaborative nature of team-based environments, while beneficial for innovation and problem-solving, may lead to delays and inefficiencies when roles, responsibilities, or decision paths are not clearly defined.

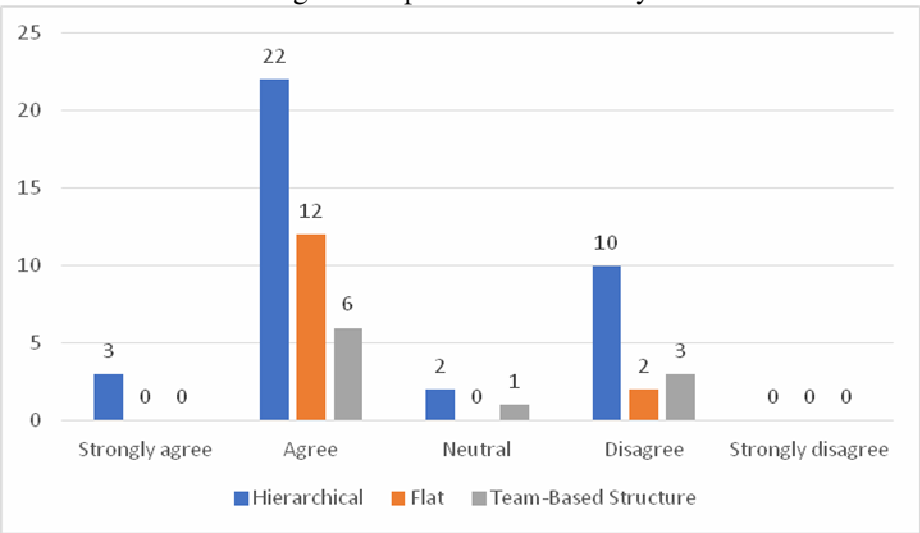
These findings directly support the main objective of the study—to explore the impact of organizational structure on operational excellence. The data demonstrate that hierarchical structures, despite their rigid nature, offer stability and clarity that enhance operational efficiency, while flat and team-based models may require additional structural support, such as clearer processes and accountability mechanisms, to reach similar levels of operational performance.

Statement 4: Operations are managed efficiently and completed on time

Table 4: Operational Efficiency

	Hierarchical	Flat	Team-Based Structure
Strongly agree	3	0	0
Agree	22	5	3
Neutral	2	4	1
Disagree	10	5	6
Strongly disagree	0	0	0

Figure 4: Operational Efficiency



6.5. Timely Handling of Operational Challenges

The findings indicate a significant correlation between organizational structure and the efficiency with which operational challenges are addressed. In organizations with a hierarchical structure, 71.4% of respondents (15 out of 21) either strongly agreed or agreed that operational problems are handled promptly and effectively, with only 9.5% expressing disagreement. This suggests that the structured chain of command and centralized decision-making typically found in hierarchical models contribute to streamlined issue resolution and improved operational responsiveness.

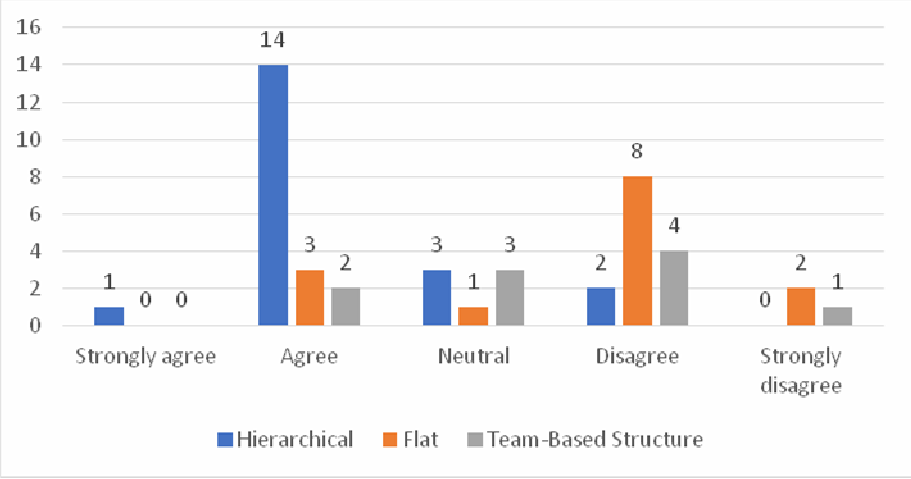
Conversely, the flat organizational structure demonstrated lower levels of operational effectiveness, with 66.7% of respondents (8 out of 12) disagreeing that issues are addressed in a timely manner and only 25% expressing agreement. These results point to potential inefficiencies arising from a lack of clearly defined authority and slower decision-making processes in flatter models. Similarly, in team-based structures, half of the respondents (50%) disagreed with the statement, while only 20% agreed, indicating that although such structures may promote collaboration and flexibility, they may also experience delays due to distributed responsibilities and the absence of centralized oversight. Overall, the data suggest that hierarchical structures are more conducive to timely and efficient handling of operational problems, reinforcing the importance of clarity in roles and decision-making authority for achieving operational excellence.

Statement 5: Operational problems addressed quickly and efficiently without delays.

Table 5: Operational problems are addressed quickly and efficiently without delays

	Hierarchical	Flat	Team-Based Structure
Strongly agree	1	0	0
Agree	14	3	2
Neutral	3	1	3
Disagree	2	8	4
Strongly disagree	0	2	1

Figure 5: Timely Handling of Operational Challenges



6.6. The Role of Institutional Mechanisms in Enhancing Performance and Operational Efficiency

The findings reveal important insights into how organizational structures influence performance management—a core component of operational excellence.

In hierarchical organizations (total respondents = 27), a significant 70.4% (2 strongly agree + 17 agree) affirmed the presence of institutional mechanisms for performance evaluation and process adjustment. 14.8% were neutral (4 respondents), while another 14.8% disagreed. These findings suggest that hierarchical structures, often characterized by formalized procedures and accountability systems, are more likely to have structured performance review mechanisms in place. Such mechanisms contribute to operational excellence by enabling systematic performance tracking and structured responses to inefficiencies.

In flat organizations (total respondents = 14), 57.1% (3 strongly agree + 5 agree) agreed with the statement, while 21.4% were neutral (3 respondents), and 21.4% (2 disagree + 1 strongly disagree) disagreed. While more than half recognized the existence of performance mechanisms, the comparatively lower agreement rate suggests potential challenges in formalizing such systems within flatter structures, which tend to be more decentralized and informal. This may affect the consistency of performance monitoring and hinder the organization's ability to make evidence-based operational adjustments—potentially compromising the pursuit of operational excellence.

In team-based structures (total respondents = 10), only 50% (1 strongly agree + 4 agree) agreed with the statement, while 20% were neutral and 30% disagreed. These results reflect a balance between flexibility and formality. While team-based models encourage collaboration and continuous feedback, the lack of formal institutional mechanisms might limit their ability to systematically evaluate performance and drive structured operational improvements. This can affect the long-term sustainability of operational excellence in team-driven environments.

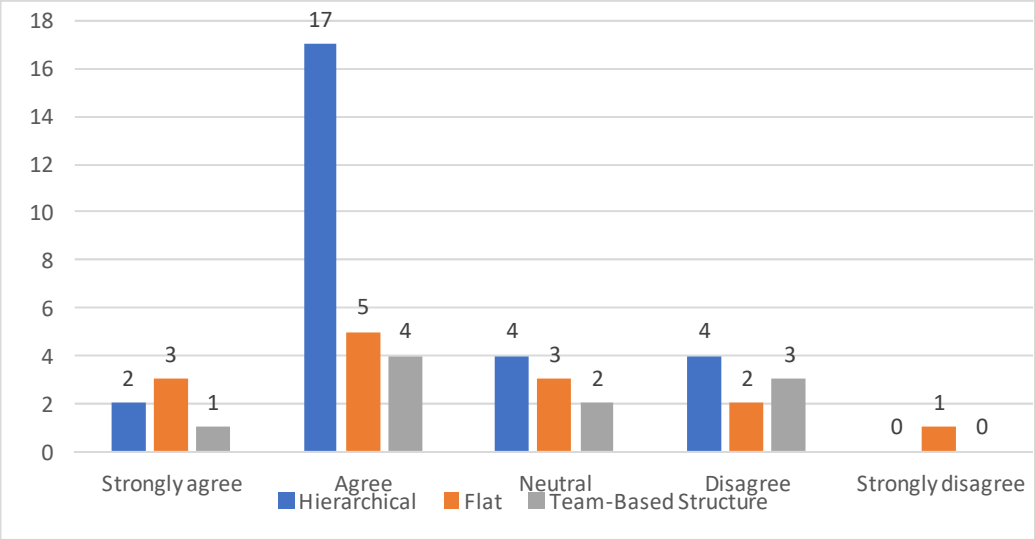
The findings illustrate that hierarchical organizations are better positioned to support operational excellence through established performance evaluation systems, while flat and team-based structures, despite offering flexibility and adaptability, may require stronger institutional mechanisms to systematically assess and improve operational processes.

Statement 6: There are institutional mechanisms in place to evaluate performance and adjust operational processes accordingly.

Table 6: The Role of Institutional Mechanisms in Enhancing Performance and Operational Efficiency

	Hierarchical	**Flat**	**Team-Based Structure**
Strongly agree	2	3	1
Agree	17	5	4
Neutral	4	3	2
Disagree	4	2	3
Strongly disagree	0	1	0

Figure 6: Timely Handling of Operational Challenges



6.7. The Role of Organizational Structure Design in Supporting Operational Excellence in Complex Environments

The analysis of responses to the statement "The organizational structure is appropriately designed to match the complexity level of the organization's operational processes" reveals a strong relationship between structural design and an organization's ability to manage operational complexity—an essential element of operational excellence. In hierarchical organizations (total respondents = 27), a significant 77.8% (3 strongly agree, 18 agree) agreed that their organizational structure aligns well with the complexity of their operations, while only 18.5% expressed disagreement and 3.7% remained neutral. This indicates that hierarchical structures, with their clear lines of authority and formalized processes, are often perceived as capable of handling complex operational environments effectively.

In flat organizations (total respondents = 14), 78.6% (2 strongly agree, 9 agree) also agreed, with 14.3% being neutral and only 7.1% disagreeing strongly. This suggests that even in decentralized models, when designed appropriately, flat structures can accommodate operational complexity, possibly due to enhanced communication and employee empowerment.

Conversely, in team-based organizations (total respondents = 10), only 30% of respondents agreed with the statement, while a striking 70% expressed disagreement (5 disagree, 2 strongly disagree). This reflects a potential misalignment between structure and complexity in team-based models, where the collaborative and fluid nature of work may lack the systemic coordination or oversight required for managing highly complex operations.

Overall, the data suggest that when organizational structure is deliberately aligned with the level of operational complexity, it enables greater control, coordination, and efficiency—key pillars of operational excellence. Hierarchical and flat structures, when well-designed, appear more effective in this regard than team-based structures,

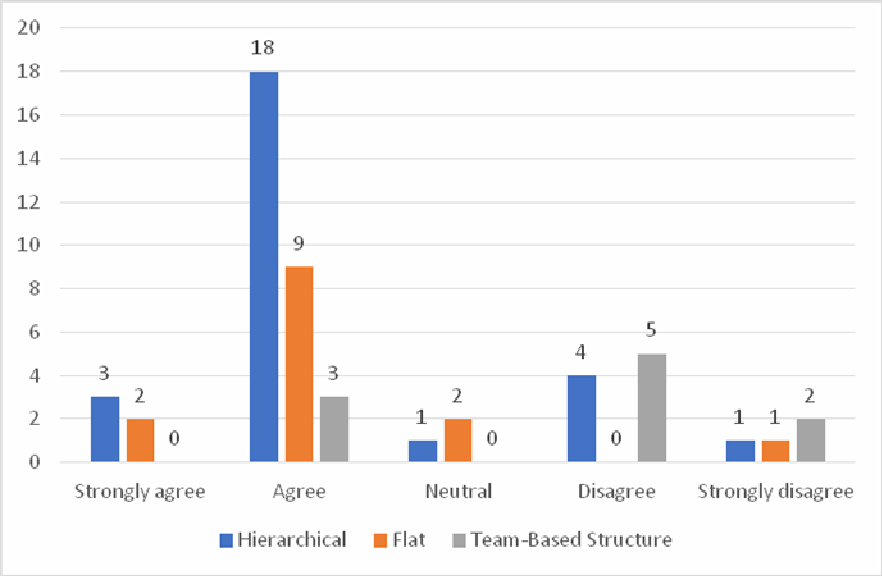
which may require additional formalization or support mechanisms to thrive in complex operational settings.

Statement 7: The organizational structure is appropriately designed to match the complexity level of the organization's operational processes.

Table 7: The Role of Organizational Structure Design in Supporting Operational Excellence in Complex Environments

	Hierarchical	Flat	Team-Based Structure
Strongly agree	3	2	0
Agree	18	9	3
Neutral	1	2	0
Disagree	4	0	5
Strongly disagree	1	1	2

Figure 7: The Role of Organizational Structure Design in Supporting Operational Excellence in Complex Environments



6.8. The Impact of Organizational Structure on Continuous Improvement and Its Role in Supporting Operational Excellence

The responses to the statement "The organization regularly evaluates and improves its operational processes under the concept of continuous improvement" reveal significant variations across organizational structures, shedding light on how structural design influences an organization's ability to embed continuous improvement—an essential pillar of operational excellence. In hierarchical organizations, only 36% of respondents (1 strongly agree and 8 agree out of 27) believe that continuous improvement is actively pursued. Meanwhile, a considerable 48.1% (9 disagree and 4 strongly disagree) expressed disagreement, and 18.5% remained neutral. This suggests that despite the formalization and procedural rigor typically found in hierarchical systems, such rigidity may inhibit adaptability and iterative learning, making it difficult for organizations to respond dynamically to operational inefficiencies or evolving demands.

In contrast, flat organizations demonstrated a more favorable perception, with 64.3% (2 strongly agree and 7 agree out of 14) affirming that continuous improvement is practiced, while only 14.3% disagreed, and 21.4% remained neutral. The decentralized nature of flat structures may empower employees to contribute ideas and initiate improvements without bureaucratic delays, thereby fostering a more agile and responsive operational environment. Similarly, in team-based structures, 70% (1 strongly agree and 6 agree out of 10) of respondents confirmed the presence of continuous improvement practices, while only one person disagreed.

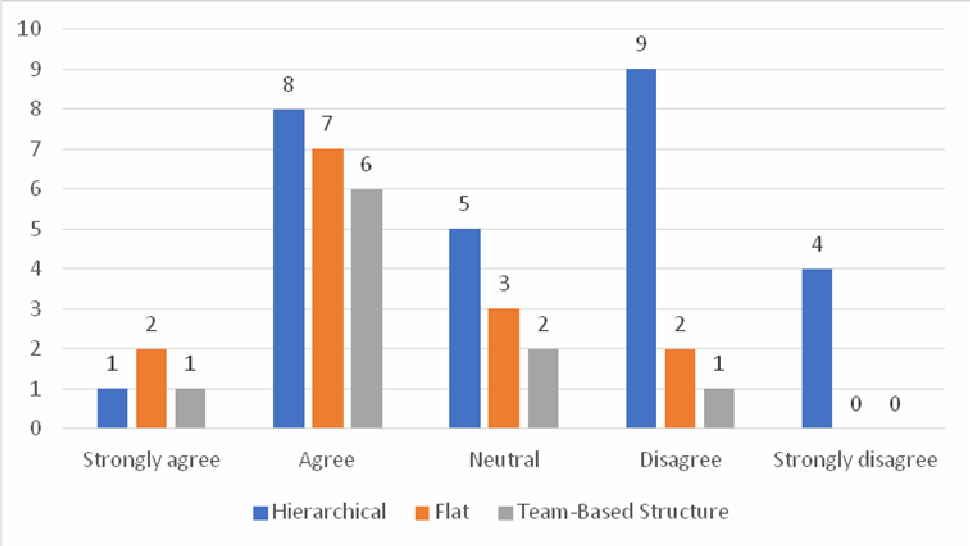
The collaborative dynamics of team-based models often support shared accountability and open communication, which are conducive to identifying, discussing, and implementing process enhancements. These findings underscore that organizational structure plays a critical role in enabling or constraining continuous improvement efforts, and by extension, in achieving and sustaining operational excellence. Structures that encourage feedback, flexibility, and cross-functional participation are more likely to cultivate a culture of continuous enhancement, positioning the organization for long-term success.

Statement 8: The organization regularly evaluates and improves its operational processes

Table 8: The Impact of Organizational Structure on Continuous Improvement and Its Role in Supporting Operational Excellence

	Hierarchical	Flat	Team-Based Structure
Strongly agree	1	2	1
Agree	8	7	6
Neutral	5	3	2
Disagree	9	2	1
Strongly disagree	4	0	0

Figure 8: The Impact of Organizational Structure on Continuous Improvement and Its Role in Supporting Operational Excellence



6.9. The Impact of Organizational Structure on Leveraging Lessons Learned to Improve Operational Performance

The statement "Lessons learned from past operational issues are used to enhance future performance" offers critical insight into how well organizations institutionalize learning as part of their pursuit of operational excellence. The data shows significant variation across organizational structures, reflecting differing capacities to transform past challenges into improved future outcomes.

In hierarchical organizations, only 18.5% of respondents (5 out of 27) agreed with the statement, while 44.4% (12 respondents) expressed disagreement (13 disagree and 3 strongly disagree), and 22.2% remained neutral. These findings suggest that despite the structured nature of hierarchical systems, they may struggle to systematically integrate feedback and lessons learned into future planning. This could be due to rigid communication channels, limited employee input, or a lack of adaptive mechanisms, all of which hinder continuous improvement and weaken the foundation for achieving operational excellence.

In contrast, flat organizations demonstrated stronger learning behaviors. Out of 14 respondents, 85.7% (3 strongly agree and 9 agree) reported that their organizations actively use past experiences to improve performance, with only 7.1% disagreeing and 7.1% neutral. This reflects the inherent flexibility of flat structures, where knowledge sharing is often more open, and decision-making more inclusive—enabling faster adaptation and continuous refinement of processes, which directly supports operational excellence.

Team-based organizations showed a mixed result. Among 10 respondents, 50% (1 strongly agree and 4 agree) agreed with the statement, while the other 50% disagreed. This split outcome highlights a potential inconsistency in how learning is captured and applied within team environments. While such structures encourage collaboration, the lack of standardized procedures for feedback integration may prevent the organization from fully leveraging past experiences to drive long-term improvements.

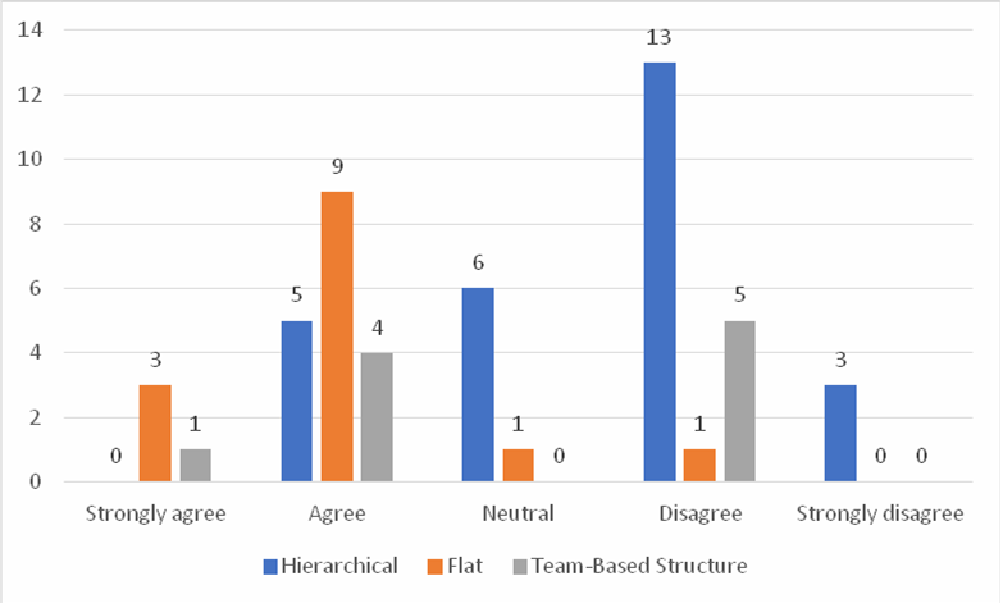
In summary, the data clearly shows that the ability to translate operational lessons into performance gains is highly influenced by organizational structure. Flat organizations appear to be most effective in institutionalizing learning, thereby reinforcing a culture of continuous improvement and enhancing their operational excellence. Hierarchical and team-based structures may require targeted interventions—such as structured feedback loops, learning systems, and leadership support—to close the gap between experience and performance improvement.

Statement 9: Lessons learned from past operational issues are used to enhance future performance.

Table 9: The Impact of Organizational Structure on Leveraging Lessons Learned to Improve Operational Performance

	Hierarchical	Flat	Team-Based Structure
Strongly agree	0	3	1
Agree	5	9	4
Neutral	6	1	0
Disagree	13	1	5
Strongly disagree	3	0	0

Figure 9: The Impact of Organizational Structure on Leveraging Lessons Learned to Improve Operational Performance



6.10. The Role of Organizational Structure in Functional Flexibility and Its Impact on Operational Excellence

The analysis of responses to the statement "Teams can reassign tasks efficiently when operational demands shift" reveals a strong relationship between organizational structure and an organization's ability to maintain agility—an essential pillar of operational excellence.

In hierarchical structures, only 14.8% of respondents agreed with the statement, while a significant 74.1% expressed disagreement (59.3% disagree, 14.8% strongly disagree), indicating a notable rigidity in task flexibility likely stemming from centralized decision-making and fixed role allocations.

In contrast, flat organizations demonstrated a markedly higher level of adaptability, with 92.8% of participants (7.1% strongly agree, 85.7% agree) affirming the ability to reassign tasks efficiently, reflecting the advantages of decentralized authority and streamlined communication. Team-based structures also showed favorable results, with 70% agreeing, while only 10% disagreed, highlighting the inherent responsiveness of cross-functional and collaborative environments. These findings suggest that organizational structures which promote decentralization, shared responsibility, and real-time coordination—such as flat and team-based models—are better positioned to

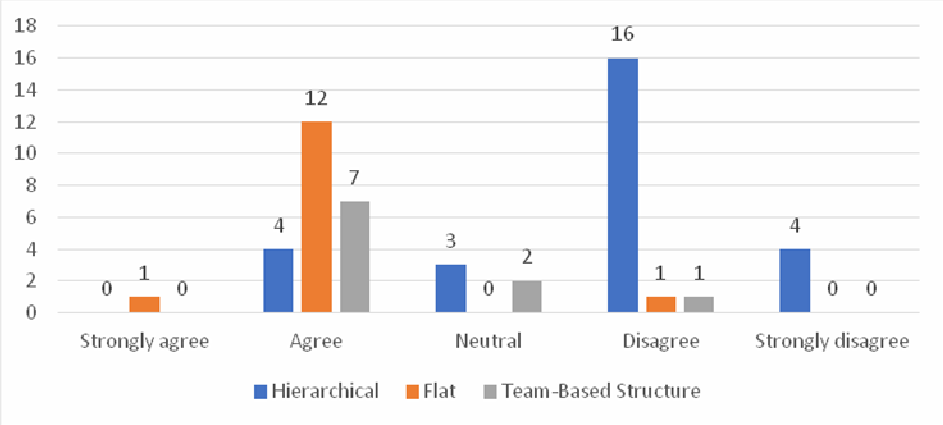
support operational excellence by enabling efficient resource reallocation, reducing downtime, and sustaining high performance in dynamic operational contexts.

Statement 10: Teams can reassign tasks efficiently when operational demands shift

Table 10: The Role of Organizational Structure in Functional Flexibility and Its Impact on Operational Excellence

	Hierarchical	Flat	Team-Based Structure
Strongly agree	0	1	0
Agree	4	12	7
Neutral	3	0	2
Disagree	16	1	1
Strongly disagree	4	0	0

Figure 10: The Role of Organizational Structure in Functional Flexibility and Its Impact on Operational Excellence



7. Discussion

The findings of this study reinforce the long-established view in the literature that organizational structure plays a pivotal role in enabling or hindering operational excellence. This is particularly relevant in the context of Saudi Arabia's institutional transformation under Vision 2030, where organizations are increasingly expected to deliver efficient, flexible, and innovative operations across public, private, and nonprofit sectors.

The research outcomes confirm that hierarchical structures offer strong clarity in roles and responsibilities, supported by 74.1% agreement among respondents. Burton et al. (2020) similarly argue that such structures are well-suited for organizations that prioritize compliance, stability, and role-based performance. However, this study revealed that such advantages come at the cost of flexibility and speed—where only 14.8% of participants in hierarchical environments agreed that task reassignment is feasible when operational demands shift.

In contrast, flat structures excelled in agility, decentralization, and responsiveness, with over 92.8% agreeing that their organizations can reassign tasks efficiently. This reflects Cunha et al. (2020), who suggest that reduced hierarchies promote improvisation and

real-time decision-making. However, respondents from flat models reported weaker perceptions of role clarity and performance accountability—raising concerns similar to those outlined in Avalon Consulting (2025), who caution that too much decentralization without defined evaluation systems may compromise long-term excellence.

Team-based structures presented a hybrid profile. While 70% reported high task flexibility, only 30% affirmed role clarity, indicating challenges in coordination and role definition—issues that echo the findings of Ancona and Caldwell (1992) on the importance of boundary-spanning and shared understanding in collaborative models.

Furthermore, the study contributes to the Saudi organizational context. Reports by SDAIA (2023) and Al-Jaeed (2024) emphasize the need for structures that align not only with strategic goals but also with operational intricacy. For example, SDAIA's analysis of the water sector noted that improved structural design led to enhanced performance metrics in service delivery, while Al-Jaeed's research at Taif University linked strategic agility to organizational redesign as a driver of administrative excellence.

The institutional use of lessons learned, a key aspect of continuous improvement, was confirmed in only 18.5% of hierarchical organizations compared to 85.7% in flat models. This mirrors the argument by George (2002) and Liker (2004) that learning systems must be built into structural routines to sustain Lean and Six Sigma performance levels.

Finally, the integrated findings point to the necessity of structural flexibility—not as a stand-alone factor but as a dynamic enabler that interacts with strategy, culture, and operational complexity. As Barnawi (2022) and Salih and Dolah (2023) found in the nonprofit sector, misalignment between structure and operational roles directly compromises service quality and responsiveness, regardless of leadership quality or funding.

7.1. Practical Examples and Case Studies from the Saudi Context

Saudi Arabia's ambitious Vision 2030 has driven extensive organizational transformations across multiple sectors, providing rich examples that illustrate the impact of organizational structure on operational excellence.

The Saudi Data and Artificial Intelligence Authority (SDAIA, 2023) reported significant enhancements in the water sector's operational efficiency after redesigning workflows to better fit sector-specific complexities. This led to clearer role definitions, streamlined decision-making, and improved interdepartmental coordination, resulting in measurable service improvements.

In banking, Al Rajhi Bank applied a team-based organizational design within its digital innovation departments. This model accelerated product development cycles and fostered a culture of collaboration, directly contributing to improved customer experiences and faster market adaptation (Al Rajhi Bank, 2023).

In the healthcare sector, the Ministry of Health (MOH) implemented structural reforms focusing on decentralized hospital management and enhanced coordination among healthcare providers. This resulted in better resource utilization and improved patient care quality (Ministry Of Health, 2023).

At the educational level, Taif University demonstrated through Al-Jaeed's (2024) research how embedding strategic agility within its organizational framework reduced bureaucratic delays and enhanced administrative performance.

These diverse, evidence-backed cases confirm that Saudi organizations, across public and private sectors, benefit significantly from aligning their organizational structures with operational complexity and sector-specific demands. This alignment is critical to achieving operational excellence and supporting the transformative objectives of Vision 2030.

8. Conclusion and Recommendations

This study reaffirms that organizational structure is a foundational determinant of operational excellence—but only when it is contextually and strategically aligned. The findings reveal that while hierarchical models support clarity and control, they may stifle agility; flat and team-based structures foster responsiveness and collaboration but require stronger accountability and coordination mechanisms.

These insights carry significant implications for Saudi institutions undergoing transformation under Vision 2030. Structural design must not be treated as a static framework, but rather as a dynamic capability—regularly reviewed, adapted, and deliberately aligned with operational complexity, sector-specific needs, and institutional maturity.

To achieve this, decision-makers should move beyond adopting structures by convention. Instead, they must embed adaptive elements into their organizational architecture: establish responsibility matrices, formalize performance feedback loops, clarify roles even in decentralized models, and institutionalize continuous improvement mechanisms. These are not optional refinements but essential enablers for achieving the ambitious efficiency and agility targets set by Vision 2030.

Ultimately, the path to operational excellence in Saudi organizations lies not in choosing the "best" structure, but in designing and evolving structures that fit their unique operational realities—and doing so as an ongoing strategic priority. This study offers evidence-based guidance for making that alignment intentional, measurable, and impactful.

8.1. Recommendations

- Saudi institutions are encouraged to move beyond traditional structural models and design hybrid structures that strategically integrate:
    - The clarity and control of hierarchical systems,
    - The agility and learning culture of flat organizations,
    - The collaborative adaptability of team-based models.

- Ensure Structural Fit with Operational Complexity: Organizational structure must reflect the complexity of internal workflows, technological integration, and cross-functional interdependence. Periodic reviews of structural alignment with operations should become a standard strategic practice.

- Institutionalize Performance Evaluation Systems: To support accountability and continuous improvement, organizations should implement formal performance monitoring systems, combining both quantitative KPIs and qualitative assessments across departments and roles.

- Foster a Culture of Organizational Learning: by adopting structures that support the collection and application of lessons learned to improve future performance. The study found that 85.7% of respondents in flat structures and 50% in team-based structures reported active learning practices, compared to only 18.5% in hierarchical ones. This highlights the role of structural flexibility in enabling continuous improvement. Recommended mechanisms include post-action reviews, cross-departmental learning platforms, and regular feedback loops.

- Enhance Communication and Role Clarity: Particularly in flat and team-based settings, organizations should introduce clear responsibility matrices and streamlined communication protocols—such as RACI charts, defined reporting lines, standardized digital tools (e.g., Slack, Microsoft Teams), structured meeting cadences, team charters, onboarding guides, and documented workflows—to avoid role ambiguity and improve coordination across units.

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Appendix: Survey Questionnaire

Section A: Demographics (sector, experience, etc.)

- What sector does your organization belong to?
- How many years have you worked in this organization?
- What is your department or functional area?

Section B: Type of Organizational Structure.

- How would you describe the structure of your organization?

Section C: Likert-scale questionnaire. The instrument consisted of statements rated on a 5-point scale (1 = Strongly Disagree, 5 = Strongly Agree) and was divided into the following sections:

Information Flow & role clarity

Statement1: Information flows smoothly and efficiently between departments in the organization.
Statement 2: I fully understand what is expected of me in my current role.
Statement 3: There is no overlap or confusion between my duties and those of my colleagues.

Operational Efficiency

Statement 4: Operations are managed efficiently and completed on time
Statement 5: Operational problems addressed quickly and efficiently without delays.
Statement 6: There are institutional mechanisms in place to evaluate performance and adjust operational processes accordingly.
Statement 7: The organizational structure is appropriately designed to match the complexity level of the organization's operational processes.
Statement 8: The organization regularly evaluates and improves its operational processes
Statement 9: Lessons learned from past operational issues are used to enhance future performance.
Statement 10: Teams can reassign tasks efficiently when operational demands shift