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ENVIRONMENTAL FACTORS AND CORPORATE STRATEGY-STRUCTURE CHOICES FOR ORGANIZATIONAL EFFECTIVENESS

Shaukat Ali Raza [1], Ashi Zeshan [2], Abir Hassan Naqvi [3]

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Affiliations:

[1] Lincoln College for Higher Studies, Lahore, Pakistan
Email: shaukatraza527@gmail.com

[2] Department of Business Education, IER, University of the Punjab, Lahore, Pakistan

[3] Department of Technology Education, IER, University of the Punjab, Lahore, Pakistan

Corresponding Author's Email:

[1] shaukatraza527@gmail.com

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Abstract

Business organizations, being social entities, can never be environment-apathetic as their strategic, structural, and operational choices for effectiveness depend largely on the conditions of the environment they are surviving in.
The current study was designed to examine how environmental conditions influence corporate strategy-structure choices, and how their alignment contributes to organizational effectiveness. The data, for explanatory quantitative cross-sectional survey, were collected through a semi-structured questionnaire from conveniently/purposively selected 55 corporate managers and tabulated in the form of frequencies, ranks, and percentages.
Results reveal that in traditional mechanistic flat structures based on strategic priorities, business organizations are primarily focusing on leadership, economic factors, work specialization, competition, customer satisfaction, and growth in an effort to be the best with a high goal achievement and stagnant market shares reflecting a question-mark status.
The study recommends that business organizations may strengthen environmental scanning and strategic responsiveness, competitive intelligence and competitor analysis, and ensure flexibility for contingency leading to an integrated strategy-structure-environment framework for decision-making and periodically reassess the alignment among environment, strategy, structure, and organizational effectiveness.

Keywords: Environmental Factors, Corporate Strategy, Organizational Structure, Organizational Effectiveness, Strategy-Structure Fit

1. Introduction

1.1 Background

Business organizations, being social entities, can never be environment-apathetic as their strategic, structural, and operational choices for effectiveness depend largely on the conditions of the environment they are surviving in.

A combination of internal and external factors that impact organizational decisions, operations, strategy selections, and ultimate performance is referred to as organizational environment that sets the patterns of identifying opportunities, responding to threats, developing capabilities, and achieving competitive advantage. Being dynamic, uncertain, and interconnected in nature (Bright & Cortes, 2019); largely as a consequence of technological, social, and cultural dynamics; it has led organizations to integration of external industry analysis with their resources and capability evaluation while formulating their competitive strategies (Barney, 1991; Melesse, 2025; Porter, 1980; Teece, 2007) for a sustainable competitive advantage (Baird et al., 2024).

1.2 Statement of the Problem

The current study was designed to examine how environmental conditions influence corporate strategy-structure choices, and how their alignment contributes to organizational effectiveness. The study addresses the following research questions:

1. What are the prevailing environmental conditions of the Pakistani corporate sector?
2. What organizational goals is the Pakistani corporate sector pursuing?
3. What corporate strategies are being followed in Pakistani organizations?
4. What structural options is the Pakistani corporate sector following?
5. To what extent does the fit between environmental conditions, corporate strategy, and organizational structure contribute to organizational effectiveness?

1.3 Significance of the Topic

Business organizations, being social entities, can never be environment-apathetic as their strategic, structural, and operational choices for effectiveness depend largely on the conditions of the environment they are surviving in. The study is significant for understanding how environmental conditions influence corporate strategy-structure choices and how their alignment contributes to organizational effectiveness in the Pakistani corporate sector.

1.4 Research Objectives

The study was designed to examine:

1. The prevailing environmental conditions of the Pakistani corporate sector.
2. The organizational goals Pakistani corporate sector is pursuing.
3. The corporate strategies being followed in Pakistani organizations.
4. The structural options Pakistani corporate sector is following.
5. The extent to which the fit between environmental conditions, corporate strategy, and organizational structure contributes to organizational effectiveness.

1.5 Aim of the Study

The aim of the study is to examine how environmental conditions influence corporate strategy-structure choices, and how their alignment contributes to organizational effectiveness.

The study contributes to the understanding of environmental factors and corporate strategy-structure choices for organizational effectiveness. The scope of the study is the Pakistani corporate sector, with data collected from 55 corporate managers with offices situated in Lahore.

The paper is organized into abstract, introduction, literature review, research methodology, results and discussion, conclusion and recommendation, and references.

2. Literature Review

2.1 Theoretical Literature Review

2.1.1 Organizational Environment. A combination of internal and external factors that impact organizational decisions, operations, strategy selections, and ultimate performance is referred to as organizational environment that sets the patterns of identifying opportunities, responding to threats, developing capabilities, and achieving competitive advantage. Being dynamic, uncertain, and interconnected in nature (Bright & Cortes, 2019); largely as a consequence of technological, social, and cultural dynamics; it has led organizations to integration of external industry analysis with their resources and capability evaluation while formulating their competitive strategies (Barney, 1991; Melesse, 2025; Porter, 1980; Teece, 2007) for a sustainable competitive advantage (Baird et al., 2024).

2.1.2 Internal Factors. The internal factors, to be more elaborate, may be valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991) such as leadership, organizational culture, structure, human capital, financial resources, technology, knowledge, routines, and operational capabilities that help organizations to respond to changes around (Bright & Cortes, 2019; Grant, 2019; Johnson et al., 2020; Teece, 2007) in terms of restructuring and reengineering themselves for performance sustainability (Melesse, 2025) through supportive and open culture. Consequently, internal environment should explain both tangible and intangible resources. Financial capital, physical assets, and technology (Melesse, 2025) are important, but intangible resources such as organizational knowledge, reputation, leadership capabilities, organizational culture, relationships, and employee expertise (Grant, 2019; Johnson et al., 2020) may be particularly important sources of sustainable competitive advantage.

2.1.3 External Factors. Being outside the organizational control, capable of creating opportunities or threats, external factors may be listed as changes in government policy, economic conditions, demographic trends, technological innovation, environmental pressures, and legislation (Johnson et al., 2020). Similarly, in a more competitive perspective, these could be competitors, suppliers, customers, substitute products, and potential new entrants (Gonzalez-Varona et al., 2021). However, to be conclusive here, both internal and external environmental factors namely industry conditions and organizational capabilities duly contribute towards sustainable competitive advantage (Baird et al., 2024), that an organization is supposed to achieve, that cannot be explained solely by internal resources or external market conditions alone (Baird et al., 2024).

2.1.4 Core Competencies. Competitors can easily acquire financial resources or physical assets, but what is that which could not easily be replicated, are the core competencies, the deep-rooted organizational culture and climate. Reflecting the integration of knowledge, skills, technologies, routines, and organizational processes, these may be listed as collective organizational capabilities that provide access to multiple markets, contribute significantly to customer value, which are really difficult for competitors to imitate (Prahalad & Hamel, 1990). Core competencies, as dynamic strategic assets, well describe organizational performance in terms of innovation, digital transformation, adaptation, and organizational learning (Melesse, 2025) when respond to changes in technology, customer preferences and/or industry structures as consequence of environmental turbulence (Barney, 1991; Teece, 2007).

2.1.5 Competitive Analysis. According to Porter (1980, 1985), organizations achieve superior performance by developing a strategy that responds effectively to current and potential strategies, resources, capabilities, market positions, strengths, weaknesses, and likely strategic actions to be taken by competitors both at industry and firm levels. That is how his five forces, resource-based view and dynamic capabilities approaches are integrated (Barney, 1991; Melesse, 2025; Porter, 1980; Teece, 2007) to explain organizational performance (Baird et al., 2024) to gain a competitive advantage through configuration and interaction of organizational activities (Wang et al., 2025). This is worth mentioning here, that the said competition is not absolute in nature; rather a competition-cooperation (cluster) strategy making these relationships complex and interconnected instead of being purely combative (Chim-Miki et al., 2025).

2.1.6 Organizational Goals—Official and Operative Goals. The central concept in organization theory (Linder & Foss, 2018), the organizational goals, is the perusal of formulation of goals and their translation into organizational practices (Oygarden & Mikkelsen, 2020) leading to performance (Linder & Foss, 2018) through prioritization of competing objectives (Alexius & Grossi, 2018) in response to internal and external demands (Aguilera et al., 2024). These goals are further identified as official (or legitimate cause of survival) and operative (or related to one operative cycle) goals for the purpose of performance assessment of both people and process (McLucas et al., 2024). The former category is formally communicated through mission/vision statements, strategic plans, organizational charters, annual reports, and organizational culture (Aguilera et al., 2024) whereas the latter are translated into financial and nonfinancial performance such as profitability and market share (McLucas et al., 2024). This is pertinent to note that the setting of organizational goals must lead to goal congruence (Balzano et al., 2023) rather than a goals conflict among the members and organization itself (Eggers et al., 2023; Scholer et al., 2024) which managers usually face as a consequence of environmental uncertainty (Ariwibowo et al., 2024).

2.1.7 Organizational Strategies

2.1.7.1 Corporate Level Strategies. Corporate level strategies are decisions related to businesses and markets a company needs to participate an allocation of resources across those activities to remain effective.

The growth may not be simply an increase in sales or firm size rather a depiction of profitability and long-term sustainability that increase financial performance through market penetration and development (Yao & Wang, 2026) through connections with digital transformation, sustainability, and circular business models (Berntsen et al., 2026); diversification which can have positive productivity effects (Bet, 2024); well thought-out mergers (Bauer & Friesl, 2024) and environmental conditions (Ahsan et al., 2024).

Stability strategy may be deliberate selection of control over and protection of existing facilities to match the environmental uncertainty (Healey & Hodgkinson, 2024).

Corporate renewal strategy could be a significant change in the existing business models to sustain viability (Schmitt et al., 2018) where role of top management could be accounted for organizational change drivers (Raoofian et al., 2025) as proactive leader personality is strongly associated with organizational renewals (Oskan & van Hugten, 2026).

One important feature of corporate level strategies needs to be considered before selecting a particular strategy. These are not mutually exclusive, and top management must identify segments or activities where a particular strategy could best suit (Berntsen et al., 2026; Yao & Wang, 2026).

2.1.8 Structure-Strategy Priority. Structure or strategy; which should come first? This important question has been under consideration since early sixties with Chandler's (1962) 'structure follows strategy' logic that still remains influential.

Recent research, too, supports the argument this relationship is reciprocal rather than being strictly unilateral (Vassolo et al., 2024). However, Luciano et al. (2026) maintain that structure may also be changed owing to environment, employees and leadership behaviour and organizational factors. It is further argued that structure and strategy conditions, both could be adapted for an appropriate strategy-structure fit (Molitoris et al., 2025; Zhang, 2026).

2.1.9 Organizational Structure. Organization, as goal directed social entities, created intentionally as organized and coordinated systems of activity under the influence of outside world (Daft & Armstrong, 2014; Daft & Marcic, 2016; Kiplimo, 2023), are primarily consisted of people, purpose and structure (Robbins & Judge, 2023). In order to get this purpose materialized, tasks and jobs are distributed, resources are allocated and channels of communication are established among the people available in the organization and these arrangements are called organizational structure (Robbins & Coulter, 2021; Robbins & Judge, 2023).

Organizational structure, according to Child (1972), is "the formal allocation of work roles and the administrative mechanisms to control and integrate work activities including those which cross formal organizational boundaries" (p. 2) and includes methods for work distribution, reporting, and communication (Robbins, 1990).

Organizational structure, not being simply as an organizational chart, reflects the configuration of activities—division, grouping, coordination, supervision, and controlling—; decision rights; decision rights; authority relationships; coordination mechanisms; and formal and informal processes of the organization. It must be understood through multiple complementary perspectives (Albert, 2024) leading organizations to adapt and redesign in response to environmental uncertainty, technology, strategy, and changing patterns of work (Luciano et al., 2026).

A mega review of 350 articles on organization-design research conducted by Joseph and Sengul (2025) identified four contemporary approaches namely configuration, control, channelization, and coordination highlighting emerging research on AI and organizational decision-making, flatter organizations, and organizations managing multiple goals.

2.1.9.1 The Components. Components are supposedly fundamental and common to every organization of reasonable size and repute regardless its nature and type of industry including work specialization; departmentalization; chain of command; span of control; centralization; decentralization; and formalization as elaborated in the following paragraphs.

2.1.9.1.1 Work Specialization. Rooted in Adam Smith's (1776) division of labour, work specialization means the extent to which work is divided into distinctive jobs, tasks and activities for which employees become responsible. However, Wagner (2025) found that relationships among traditional structural dimensions have weakened over time suggesting contemporary organizations not to follow the tightly interconnected bureaucratic structure and move towards balancing specialist expertise with cross-functional collaboration, the balanced specialization, as excessive specialization can create departmental boundaries, communication problems, coordination costs, and employee disengagement contrary to the efficiency and expertise.

2.1.9.1.2 Job Design. Unlike work specialization, job design configuration of job itself and may traditionally include job simplification, job enlargement, job enrichment, and job rotation (Herzberg, 1968; Hackman & Oldham, 1976). In job simplification, complex jobs are broken into smaller, standardized and relatively simple tasks to increase efficiency, reduce unnecessary complexity, and enable employees to specialize in particular activities related mostly to public-sector management (Hackman & Oldham, 1976). As the second dimension of job design, job enlargement is the horizontal expansion of a job by adding more tasks of a similar level of responsibility as a broader range of related tasks can increase exposure to different activities and skills leading to a significant relationship with job satisfaction (Alias et al., 2024). Contrary to enlargement, job enrichment involves increasing the vertical depth of a job for an expansion of job content, responsibility, scope, and challenge and argues that appropriately designed jobs can improve employee satisfaction and engagement (Alias et al., 2024; Kavya, 2024). As a fourth dimension of job design, job rotation provides systematically moving employees between different tasks, positions, or functions to reduce boredom and monotony, provide greater task variety, develop employees' skills, and increase their understanding of organizational processes and performance (Alias et al., 2024). Alias et al. (2024) have noticed job rotation emerging as the strongest predictor of job satisfaction. At the end, it should be noted that the best effective job design requires a balance between task variety, efficiency, employee development, workload, autonomy, and meaningfulness. Joseph and Sengul (2025) have emphasized that contemporary job design encompasses formal and informal attributes, structures, processes, systems for coordination and channelization as major contemporary design problems having direct implications for how jobs are designed in modern organizations.

2.1.9.1.3 Departmentalization. Departmentalization means grouping jobs and activities into organizational units or departments such as functional departmentalization i.e. marketing, finance, HR, operations; product departmentalization i.e. different departments for different products; geographical departmentalization i.e. departments based on regions or countries; customer departmentalization i.e. departments based on customer groups; process departmentalization i.e. departments based on stages of production or service; and matrix structures i.e. employees may report according to both functional and project/product dimensions.

But keeping in view the drawbacks of these structures as identified by Joseph and Sengul (2025), contemporary organizational-design is wished to be free of organizational silos (Jeske & Olson, 2025) through cross-functional teams (van Knippenberg et al., 2024); project-based structures (Miterev, 2024); networks; modular structures i.e. a building made of repeated sections called modules where workers build these units in a factory, move them to a site, and join them together; shared services; agile teams i.e. small, cross-functional, and self-organizing group of typically 5 to 10 people who collaborate to deliver work in rapid, iterative cycles (Bremer et al., 2025); and boundary-spanning roles that link an organization to its external environment or connect isolated internal departments (van Knippenberg et al., 2024) or collaborative structure addressing across organizational boundaries (Barker Scott & Manning, 2024).

2.1.9.1.4 Chain of Command. The answer to the question like how organizations control and coordinate individuals and units (Joseph & Sengul, 2025) i.e., who reports to whom and who has authority to make decisions is what actually meant by chain of command. It may not be considered as a permanent arrangement; rather a flexible one for responding to internal and external pressures (Luciano et al., 2026).

2.1.9.1.5 Span of Control. Regardless being narrow or wide, span of control as a coordination and control mechanism (Joseph & Sengul, 2025) means the number of employees directly supervised by a manager. In contrast to be a universally numerical rule, span of control has always been a decision contingent upon organizational variables like task complexity; employee competence; managerial capability; technology; geographical dispersion; degree of standardization; interdependence among employees; and need for supervision.

For the purpose of efficiency, it should be narrow (Joseph & Sengul, 2025; Zoller & Muldoon, 2020), medium-sized (Jacobsen et al., 2023) or wide (Harter, 2026) or even AI generative structure (Xu et al., 2026), no single answer is available to this question. However, contemporary research is supporting a wider span of control under the conditions of economic pressure (Gallup, 2026; Harter, 2026; Yu et al., 2026).

2.1.9.1.6 Centralization vs. Decentralization. If decision-making authority is concentrated at higher organizational levels, this is called centralization whereas if this authority is distributed to lower organizational levels, teams, departments, or individual employees, then it is termed as decentralization (Joseph & Sengul, 2025). Regardless the authenticity of advantages and disadvantages claimed for both of these terminals, organizations need to consider coordination, knowledge flows, shared understanding (Joseph & Sengul, 2025) and data-driven decision-making or the analytical culture (Szukits & Moricz, 2024) while opting any one of these two.

Altamimi et al. (2023) argue that moderation between centralization and decentralization matters more than either extreme, and organizations are to strategically choose their degree of centralization according to organizational and environmental circumstances. Organizations may go for selective decentralization, to being at the safe side, centralization for efficiency and control while decentralization for innovation and trust benefit from greater autonomy (Hui, 2025).

2.1.9.1.7 Formalization. The extent to which organizational activities, roles, responsibilities, procedures, and employee behavior are governed by written rules, policies, procedures, standards, and documentation is said to be the degree of formalization. Keeping it at low or high level, depend largely on internal and external factors (Wagner, 2025). Hence, the target may not necessarily be low formalization, but appropriate formalization. Organizations just need enough rules to ensure consistency and accountability, while preserving sufficient discretion for innovation and adaptation (Mattes, 2014; Yang et al., 2022).

Although classical dimensions of organizational structure including work specialization; departmentalization; chain of command; span of control; centralization/decentralization; and formalization remain fundamental to organizational design, contemporary organizations increasingly configure these dimensions in flexible and context-dependent ways in response to changes in the environment, technology, and strategy (Luciano et al., 2026).

2.1.9.2 The Elements—Organic vs. Mechanistic. The decision to have mechanistic or organic organizational structures is tied to organizational effectiveness that depends on the fit between organizational structure and environmental conditions (Burns & Stalker, 1961); organizational technology (Child, 1972; Woodward, 1965); environmental uncertainty, departmental differentiation, and integration (Lawrence & Lorsch, 1967); and specialization, standardization, formalization, centralization, and configuration (Pugh et al., 1968). These classical studies were conducted several decades ago, but their theoretical logic still continues to influence contemporary organizational-design research. Recent comprehensive reviews (Benbya et al., 2020; Joseph & Sengul, 2025) while supporting the classical stance, highlight emerging issues involving artificial intelligence, flat organizations, and multiple organizational goals as a fresh insight into the organization theory.

Robbins and Coulter (2021) have identified environment, technology, formalization, specialization, standardization, centralization, size, hierarchy, departmental differentiation, and departmental integration as factors, or the contingencies, that determine the mechanistic or organic aspects of an organization. It may be noted before their brief description, that contemporary research does not view these determinants in isolation rather as complementary to each other in most of the cases as given below.

The degree of uncertainty and complexity are the prime aspects of organizational environment (Almazrouei et al., 2024); the level of routine or nonroutine technologies, especially the digital transformation (Shahzad et al., 2025); instead of high or low formalization, what is being formalized and where discretion is retained (Almazrouei et al., 2024; Shahzad et al., 2025); coordination between differentiated specialists rather than isolated specialization (Joseph & Sengul, 2025); standardization in certain activities and flexible coordination in others (Wagner, 2025); what the organization is attempting to coordinate against complete centralization (Almazrouei et al., 2024; Joseph & Sengul, 2025); organizational size taken as a structural pressure, rather than as a deterministic predictor (Joseph & Sengul, 2025); instead of being tall or flat, hierarchy when effects on communication speed, authority, and coordination (Joseph & Sengul, 2025;

Shahzad et al., 2025); and departmental differentiation as the center of contingency theory and differentiation creating a corresponding requirement for integration (Joseph & Sengul, 2025; Lawrence & Lorsch, 1967; Shahzad et al., 2025) determine the mechanistic or organic nature of an organization. As pointed out earlier, organizations may simultaneously demonstrate mechanistic-organic characteristics (Wagner, 2025) especially in circumstances of digital transformation where technology can generate non-traditional structural combinations (Shahzad et al., 2025). In this state of affairs Wagner (2025) suggests hybrid configurations according to environmental uncertainty, technological requirements, task interdependence, organizational size, and information-processing needs instead of entirely mechanistic or entirely organic organizations. Here, the organizations may become mechanistic and organic in different functions, levels, projects, or units rather than being uniformly mechanistic or organic (Joseph & Sengul, 2025).

2.1.10 Organizational Environment-Strategy-Structure Fit. Environment is usually a combination of three basic conditions namely variability, complexity and illiberality (Child, 1972) as taken up identically. Variability, could be measured through parameters namely frequency of change taking place in the related activities, degree of difference in the current and previous changes, and degree of irregularity with which the change is witnessed. Complexity of the environment is a reflection of heterogeneity and range of interconnected activities organizations are supposed to perform. Illiberality, as a third component of environment, is a state of organizational environment where the decision-makers face a situation of competition, hostility and indifference in terms of related activities leading to occupational stress that could be diluted through tight task control and centralized decisions.

This is pertinent to note that environment includes everything that exists outside of the organization, but a particular organization focuses only on aspects which may have impact on its existence (Daft & Marcic, 2016). Keeping in view the significance of the environment certain large businesses have established departments for monitoring the external environment and finding suitable manifestations (Daft & Marcic, 2016) to ensure the effectiveness of their products for customers out of the competition in the local and foreign markets (Daft & Armstrong, 2014).

In short, environments are variable, complex and illiberal and structures/strategies are, therefore dependent upon external environment. Hence, a very basic question rises right from here, 'does a particular structure/strategy work for all situation or conditions prevailing around the organization?' The apparent answer is no as the environmental dynamics at particular time phase demands specific structural manifestations as organizational effectiveness depends on the fit between organizational structure and environmental conditions (Burns & Stalker, 1961)—the contingency approach (Scott & Davis, 2015). The authors noted that frameworks, whatsoever, being static in nature, fail to accommodate all conditions whereas sets of principles or general guidelines, being dynamic, work well and help organizations in responding to the outside changes. What manners are supposed to do then, is a continuous analysis of external environment for struggle to survive (Hill et al., 2014).

Hence, they tend to need identify, analyse and conclude the very nature of environmental contingencies and opt structural manifestations and procedural practices accordingly such as flexible and organic structures for turbulent and uncertain environmental conditions and mechanistic structure in response to a stable and foreseeable environment (Lawrence & Lorsch, 1967; Mintzberg et al., 2017).

Kiplimo (2023) has presented structural options based on famous management approaches i.e. classical, human relations, and contingency. The classical view, such as scientific management (Taylor, 1911/2017) postulates division of labour for efficiency; time and motion studies for efficient methods; standardization for consistency and predictability; incentives and pay packages linked to performance for higher productivity; and aptitude-based employee selection for efficiency thereby arguing for a vertical mechanistic structure. The Bureaucratic view (Weber, 1947/2015), according to the author, is attributed to the well-defined roles, formalized procedures, for efficiency and standardization, through removing bottlenecks, redundancies, or superfluous layers for approval making argument for mechanistic hierarchical structures. The administrative view as depicted in Fayol (1930, 1954), on the basic management functions such as planning, organizing, commanding, coordinating, and controlling and prescribes principles to build a structure effective communication, better coordination, quick accountability, and general organizational performance get these functions completed. But the problem with this school is, that the hierarchical and centralized nature of its suggested structure may not suit to organizations facing turbulent environment.

The human relations approach provides ways to resolve structural issues created through the classical approach implementations. It suggests a structure for participative decision-making, autonomous work and cross-functional teams, employee empowerment, virtual collaborations and shared goals leading to a supportive work environment. Employee empowerment and team work have a direct relationship between psychological empowerment and outcomes such as job satisfaction and organizational commitment (Leblanc et al., 2024; Llorente-Alonso et al., 2024). This is important because psychological safety supports learning, performance, interpersonal interaction, and work experience, particularly in increasingly complex and interdependent organizations (Edmondson & Bransby, 2023) and is further associated with lower workplace mistreatment and better psychological well-being, resilience, and hope (Amoadu et al., 2024). This leadership approach is also supportive in virtual environments and is directly relevant to how organizations manage geographically dispersed employees and teams (Bell et al., 2023).

2.1.11 Organizational Effectiveness. Effectiveness is usually considered as goal achievement and organizational effectiveness, according to Aguilera et al. (2024), reflects, though not confined to, the extent to which organizational goals are achieved, rather than relying only on generic financial or other performance indicators. The stakeholder theory explains that organizational performance as reflected in realization of goals leads to sustainability and satisfaction of stakeholders. There is a relationship between organizational performance and stakeholder satisfaction as an important mechanism connecting activities carried on and performance, and reciprocally, stakeholder satisfaction further enhances organizational performance while stakeholder management outstrips beyond traditional financial indicators. Summarizing these research studies, it can safely be concluded that regardless of specific nature of organizational goals, their achievement can ultimately be appraised in terms of the value addition for and satisfaction of strategic stakeholders (Abolghasemi et al., 2026; Fernandez-Portillo et al., 2024; Licandro et al., 2024; Mahajan et al., 2024).

Ahmad et al. (2023) have explained the concept of organizational effectiveness through their conceptual model as a resulting ability of the organization for achieving its goals successfully through business intelligence or specific methods and tools; agility or responsiveness and adaptation; and innovative climate or creativity and innovation. Hence, for the purpose of current study, organizational effectiveness is taken up as the level of goal achievement of and market share that leads to stakeholder satisfaction.

2.2 Empirical Literature Review

The empirical studies cited in this paper include, but are not limited to, Baird et al. (2024), Melesse (2025), Gonzalez-Varona et al. (2021), Wang et al. (2025), Chim-Miki et al. (2025), Aguilera et al. (2024), McLucas et al. (2024), Balzano et al. (2023), Eggers et al. (2023), Scholer et al. (2024), Ariwibowo et al. (2024), Yao and Wang (2026), Berntsen et al. (2026), Bet (2024), Bauer and Friesl (2024), Ahsan et al. (2024), Healey and Hodgkinson (2024), Schmitt et al. (2018), Raoofian et al. (2025), Oskan and van Hugten (2026), Vassolo et al. (2024), Luciano et al. (2026), Molitoris et al. (2025), Zhang (2026), Albert (2024), Joseph and Sengul (2025), Wagner (2025), Alias et al. (2024), Kavya (2024), Jeske and Olson (2025), van Knippenberg et al. (2024), Miterev (2024), Bremer et al. (2025), Barker Scott and Manning (2024), Jacobsen et al. (2023), Harter (2026), Xu et al. (2026), Gallup (2026), Yu et al. (2026), Szukits and Moricz (2024), Altamimi et al. (2023), Hui (2025), Mattes (2014), Yang et al. (2022), Almazrouei et al. (2024), Shahzad et al. (2025), Benbya et al. (2020), Kiplimo (2023), Leblanc et al. (2024), Llorente-Alonso et al. (2024), Edmondson and Bransby (2023), Amoadu et al. (2024), Bell et al. (2023), Abolghasemi et al. (2026), Fernandez-Portillo et al. (2024), Licandro et al. (2024), Mahajan et al. (2024), and Ahmad et al. (2023).

2.3 Research Gap

The original study does not explicitly label a research gap. However, it examines how environmental conditions influence corporate strategy-structure choices and how their alignment contributes to organizational effectiveness in the Pakistani corporate sector.

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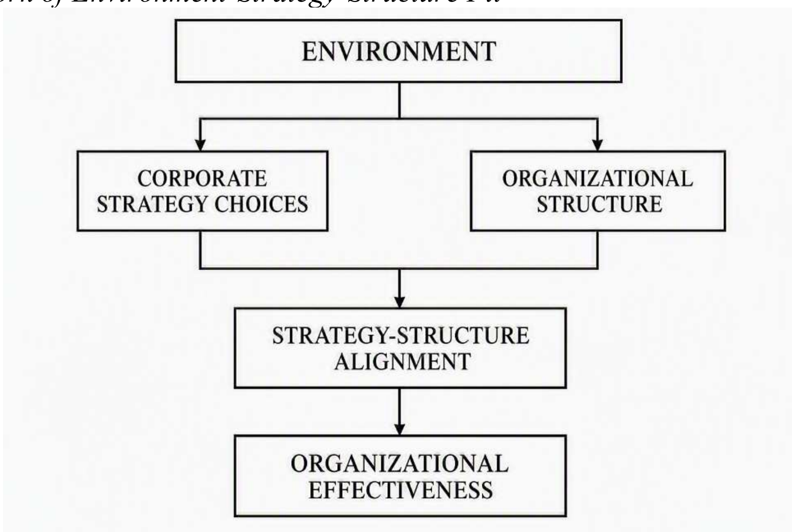
2.4 Conceptual Framework

As a reflection of contingency theory, there is no single organizational strategy or structure that is universally effective; effectiveness depends on the fit between organizational arrangements and contextual/environmental conditions.

Figure 1

Theoretical Framework of Environment-Strategy-Structure Fit



Note. Adapted from contingency theory perspectives on organizational design.

3. Research Methodology

3.1 Study Area

The study area is the Pakistani corporate sector, with offices situated in Lahore.

3.2 Data Collection Techniques

The data were collected through a semi-structured questionnaire based on semantic differential; numeric/linear; rank order; frequency; and Guttman scales from conveniently/purposively selected 55 corporate managers with offices situated in Lahore. Responses were tabulated in the form of frequencies, ranks, and percentages keeping in view the questionnaire construction.

3.3 Duration of the Study

The duration of the study is not specified in the original manuscript.

3.4 Theoretical Model

The current study is a positivist; deductive; mono-method explanatory quantitative; cross-sectional survey. As a reflection of contingency theory, there is no single organizational strategy or structure that is universally effective; effectiveness depends on the fit between organizational arrangements and contextual/environmental conditions (see Figure 1).

3.5 Empirical Model

The empirical model is based on a semi-structured questionnaire. The data were collected from 55 corporate managers and tabulated in the form of frequencies, ranks, and percentages. The study is explanatory quantitative and cross-sectional in nature.

4. Results and Discussion

The results are being discussed in terms of company profile, organizational environment, goals and strategies, competitive analysis, structural components elements and effectiveness.

4.1 Demographic Analysis / Graphical Analysis

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Table 1
The Company Profile

Categories	Description	f	%	Categories	Description	f	%
Head office	Lahore	41	75	Major Functions	Garments/Textile	12	22
	Islamabad	1	2		Telecom/IT	5	9
	Gujranwala	2	4		Furniture	1	2
	USA	1	2		Medical	3	6
	Karachi	8	15		Banking/Insurance/Finance	5	9
	Sadiqabad	1	2		Fertilizer	1	2
	Canada	1	2		Glass/Optics	2	4
	Total	55	100				
Brief History	1-5yrs	8	15		Travel/Logistics/Auto	10	18
	6-10yrs	3	6		Social service/Welfare	2	4
	11-15yrs	5	9		Advertising/Media	1	2
	16-above	39	71		Electronics	2	4
	Total	55	100				
Life-Cycle Stage	Take-off	1	2		Cosmetics	1	2
	Growth	27	49		Ceramics/Construction	4	7
	Stability	27	49		Foods	6	11
	Total	55	100		Total	55	100
Designation	HR	19	35	Size	Small	20	36
	Sales	3	6		Medium	9	16
	Operations	20	36		Large	26	47
	G. Manager	6	11				
	Accounts	7	13				
	Total	55	100		Total	55	100

Note. f = frequency; % = percentage.

As given in Table 1, majority of the business organizations are based in Lahore (75%) followed by Karachi (15%) and Gujranwala (4%) with one of the organizations based in USA; engaged in garments/textiles (22%) followed by foods (11%) and banking/insurance/finance (9%); found to be equally at growth and stability life-cycle stages (49% each) followed by take-off (2%) with none of them at decline stage; having 16 and above years (71%) of work life; and represented by operations managers (36%), followed by HR managers (35%), Accounts managers (13%), General managers (11%) and Sales managers (03%) from large (47%) followed by small (36%) and medium (16%) company size.

The company profile depicts a healthy aspect of the findings based on the opinion of experienced executives from a broad range of corporate units with majority of them gone through 16 years or more of their operational history, enjoying growth or stability stages of their business life-cycles, establishing the worth of these findings.

4.2 Descriptive Analysis

4.2.1 Section B: The (Organizational) Environment

Table 2
Internal/External Factors and Core Competencies

1. Internal/external factors						2. Core competencies	
Internal	External						
Factors	Rank	Main factors	Rank	Sub-factors	Rank	Core competencies	Rank
Leadership	1	Economic factors	1	Globalization	2		4

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1. Internal/external factors						2. Core competencies	
Management	2			Competitors Wage rates Lending policies	1 3 4	Supervising people Conflict resolution	6
Goals	3	Technological factors	2	ICT Production techniques	2 1	Emotional intelligence	5
Strategies	4	Socio-cultural factors	3	Demographic trends Gender issues Ethics	3 1 2	Communication skills	3
Technology Structure	5 6	Climatic factors	4	Calamities Pollution Health issues	1 2 3	Performance management Professionalism	2 1
Culture Relationships	8 7	Government/ political factors	5	Public legislation International laws Taxation *Trade union*	4 2 1 *3*	Team building Delegation	7 8

Note. Rankings based on respondent preferences.

Table 2 shows that respondents have ranked leadership as the top most internal factors followed by management, goals, strategies, technology, structure, culture and relationships in order of their preferences highlighting the inevitable role of leadership to cope with the dynamics of environment (Johnson et al., 2020; Luciano et al., 2026) as only leaders can transact and transform organizations to help survive in the turbulent environment. Among the external factors, economic factors have been ranked as the highest followed by technological, socio-cultural, climatic, and government/political factors in order of their preferences. It is evident from this situation that the environmental dynamics impact the corporate economic aspects the most. One possible reason could be the ultimate economic advantage or disadvantage as a consequence of other main external factors. The sub-factors of these factors, are ranked as competitors, globalization, wage rates and lending policies; production techniques and ICT; gender issues, ethics, and demographic trends; calamities, pollution and health issues; taxation, international laws, trade union and public legislations in order of preferences of the respondents. These findings highlight the worth of these factors in line with works of (Gonzalez-Varona et al., 2021; Melesse, 2025). Among the core competencies, professionalism is ranked as the highest followed by performance management, communication skills, supervising people, emotional intelligence, conflict resolution, team building and delegation respectively (Melesse, 2025) thereby establishing the irrefutable role professionalism does play in handling environmental turbulence problems.

4.2.2 Section C: Competitive Analysis

Table 3

Competitive Analysis: Forces and Advantage

i. Porter's competitive forces				ii. Competitive advantage	
Main forces	Rank	Sub-forces	Rank	Advantages	Rank
Rivalry among existing competitors	1	Number of competitors Diversity of competitors Industry saturation Quality differences Switching costs	1 2 4 3 5	Quality	1
Bargaining power of suppliers	3	Number and size of suppliers	1	Price	2

i. Porter's competitive forces				ii. Competitive advantage	
		Uniqueness of supplier	2		
		Your ability to change supplier	3		
Bargaining power of buyers	2	Number of customers	1	Location	3
		Size of customers	2		
		Buyers' ability to substitute	4		
		Switching costs	3		
Threat of substitutes	5	Available substitutes	2	Selection	5
		Buyer propensity to substitute	1		
		Relative price of substitute	3		
		Switching costs	4	Service	4
Threat of new entrants	4	Barriers to entry	3		
		Economies of scale	2		
		Brand loyalty	1		
		Legal requirements	4	Speed/turnaround	6
		Switching costs	5		

Note. Rankings based on respondent preferences.

Table 3 shows that respondents have rivalry among existing competitors in main competitive forces at number one followed by bargaining power of buyers, bargaining power of suppliers, threat of new entrants and threat of substitute in order of preference. Whereas, in their sub-forces section, number of competitors, number and size of suppliers, number of customers, buyer propensity to substitute, and brand loyalty at top positions in their respective groups. As for as the competitive advantage is concerned, quality is ranked at top followed by price, location, service, selection and speed/turnaround respectively. It means that in both, main and sub-forces, in competitive analysis and even in competitive advantage, the respondents have highlighted the inevitable competition as the main force in the environment that is supposed to be dealt with (Melesse, 2025).

4.2.3 Section D: The Goals

Table 4

Official and Operative Goals

Official goals—the mission of company	Rank	Operational goals—company goals for the current period	Rank
To be the best	1	Customer satisfaction	1
Customer care	2	Financial gain	2
Social service	3	Employee development	3
		Affordable quality	4

Note. Rankings based on respondent preferences.

Table 4 reflects that to be the best has been described as the top most important official goal by majority of the respondents followed by customer care and social service (Aguilera et al., 2024). Though at the lowest position, the inclusion of social service in the official goals of business organizations is worth noticing here reflecting the value of corporate social responsibility in their eyes (Aguilera et al., 2024). Customer satisfaction, however, is given the highest status in the operational goals followed by financial gain, employee development and affordable quality respectively. It means that business organizations are supposed to be the best in their respective field not only for the purpose to survive but also to thrive.

4.2.4 Section E: The Strategies

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Table 5

Corporate Strategies and Structure-Strategy Priority

1. Corporate Strategies	f	2. Structure-Strategy Priority	f
Growth	1	Structure	16
Stability	2	Strategy	39
Renewal	0		

Note. f = frequency.

As discussed under company profile, majority of the business organizations are following growth strategy (Yao & Wang, 2026) followed by stability whereas no one is following renewal further supporting the argument developed in the discussion for previous segments. Majority of the organizations follow strategy first and structure second approach supporting the view point of (Molitoris et al., 2025; Zhang, 2026).

4.2.5 Section F: The Structural Components

Table 6

Formalization, Departmentalization, Centralization, Span of Control, Work Specialization, and Job Design

Formalization		**Departmentalization**		
Documentation	**f**	**Approaches**	**Departmentalization**	**f**
Formalization, high	1	Traditional	Functional	1
Formalization, low	2		Divisional, by product	2
Formalization, no	3		Divisional, by geography	3
			Divisional, by customer	4
			Hybrid	5
			Matrix	6
			Virtual	6
Chain of Command		Contemporary	Team-based	1
Line of Authority	**f**		Project based	2
Unity of command	1		Boundary-less	5
Divided command	2		Network	4
			Learning organization	3
Centralization vs. Decentralization				
Centralization	**f**	**Determinants**	**Decentralization**	**f**
Stable	49	Environment	Unstable	6
Can't decide	30		Lower managers can decide	25
Don't want participation	14		Lower managers want participation	41
Significant	43	Decisions	Relatively minor	12
Single	24	Location	Dispersed	31
Rigid	22	Strategy	Flexible	33
Span of Control				
Tall structure	**f**	**Determinants**	**Flat structure**	**f**
High	45	Interaction requirements	Low	10
Low	11	Competence level	High	44
Dissimilar	23	Work similarity	Similar	32
High	45	Problem frequency and seriousness	Low	10
Wider	21	Subordinate physical proximity	Closer	34
More	14	Non-supervisory duties	Few	41
Minor	30	Additional support available	Considerable	35

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Low	11	Work motivational possibilities	High	14
Work Specialization		**Job Design**	
Characteristics	**f**	**Job design**	**f**
Jobs are specific	Yes 49 / No 6	Job simplification	Yes 53 / No 2
Jobs are standardized	Yes 53 / No 2	Job rotation	High 39 / No 16
Jobs are repetitive	Yes 46 / No 9	Job enlargement	Yes 46 / No 9
Doing a part instead of the whole job	Yes 46 / No 9	Job enrichment	Yes 46 / No 9

Note. f = frequency.

Table 6 contains the reflection of structural components that are integral to all organizations where formalization is high; chain of command is unity of command; departmentalization is functional in traditional and team-based in contemporary approaches; centralization (Wagner, 2025) three out of six, and decentralization (Alexius & Grossi, 2018) three out of six determinants equalize the situation; span of control, as per six out of eight determinants, is wider; work specialization is high in absolute terms; and job enlargement is preferred as the most followed by simplification, enrichment and rotation in job design. This tendency reflects, more or less, the traditional structural setups in the business organizations. One possible cause of this trend could be the prevailing long-lived uncertain business environment in the country leading to a fear of unknown that limits the possibilities of taking initiative towards experimenting new structural designs. As a result, it shows that the higher the formalization awareness, the higher the job satisfaction and organizational commitment increases. Besides, this study maintains that decentralization has a positive relationship with job satisfaction and organizational commitment.

4.2.6 Section G: The Structural Elements—Organic vs. Mechanistic

Table 7

Mechanistic vs. Organic Structure

Mechanistic structure	f	Elements	Organic structure	f
Certain	47	Environment	Uncertain	8
Mass	31	Technology	Unit/job	24
High	48	Formalization	Low	7
High	45	Specialization	Low	10
High	48	Standardization	Low	7
High	39	Centralization	Low	16
Large (2,000 or more)	28	Size	Small	27
Tall	41	Hierarchy	Flat	14
Well defined	45	Departmental differentiation	Loosely defined	10
Formal	36	Departmental integration	Non-formal	19

Note. f = frequency.

Table 7 contains the reflection of structural elements that make one organization different from the other organizations. Majority of the respondents have pointed out the business organizations in Pakistan are following mechanistic structure (Wagner, 2025). This tendency is getting support from the traditional structural components discussed above under Table 6.

4.2.7 Section H: The Effectiveness

Table 8

Goal Achievement and Market Share

1. Goal Achievement		2. Market Share	
Limit	**%**	**Priority**	**f**
Lower	26	Increasing	10
Upper	74	Decreasing	05
		Stable	85

Note. f = frequency; % = percentage.

Table 8 indicates that maximum goal achievement by the respondent organizations is 74% whereas minimum goal achievement is 26%. Whereas market share of 85% organizations is stable. This tendency well explains the situation where mechanistic structures support efficiency and goal achievement (Riaz, 2024). Now in this case, where goal achievement is at upper limit with 74% and market shares are mostly stable; a question mark situation is developed according to Boston Consulting Group (BCG).

In this way the research questions related to the prevailing environmental conditions of Pakistani corporate sector; organizational goals Pakistani corporate sector is pursuing; corporate strategies being followed in Pakistani organizations; structural options Pakistani corporate sector is following; the extent does the fit between environmental conditions, corporate strategy, and organizational structure contribute to organizational effectiveness are achieved for the purpose of this study.

4.3 Discussion

The results are being discussed in terms of company profile, organizational environment, goals and strategies, competitive analysis, structural components elements and effectiveness. The findings reveal that the respondent business organizations are predominantly large-sized, long-established organizations, with a concentration in the garments and textiles sectors with a major presence in Lahore. Most organizations are stood at the growth and stability stages of the organizational life cycle, with none reported to be at the decline stage. Operations managers were found to be constituting the major group of respondents.

Regarding the organizational environment, respondents identified leadership as the top rated internal factor and economic factors as the most important external factor. Among the external sub-factors, competitors, production techniques, gender issues, calamities, and taxation were ranked at the top most positions, while professionalism emerged as the leading core competency. Competitive analysis further indicated that rivalry among existing competitors was the dominant competitive force. The number of competitors, number and size of suppliers, number of customers, buyer propensity to substitute, and brand loyalty were identified as top most sub-forces, whereas quality emerged as the leading dimension of competitive advantage.

With respect to goals and strategic choices, "to be the best" was identified as the dominant official goal, while customer satisfaction was the leading operative objective. Growth emerged as the predominant corporate strategy, and organizations generally assigned greater priority to strategy against structure. These findings indicate that the organizations are primarily growth-oriented and customer-focused while seeking to maintain competitive advantage through quality.

The structural findings indicate a predominant mechanistic orientation of the respondent organizations. Formalization and work specialization are high, unity of command is emphasized, and span of control is generally wide. Functional departmentalization is more evident in traditional structures, whereas team-based departmentalization is more evident in contemporary approaches with an equal focus on both of these approaches by respondent organizations. Similarly, the determinants of centralization and decentralization were evenly distributed, indicating no clear overall dominance of either approach. Job enlargement was the preferred job-design practice. Overall, the prevalence of mechanistic structures indicates that the organizations continue to emphasize formal authority, standardization, specialization, and control despite adopting certain contemporary structural practices.

In terms of organizational effectiveness, the respondent organizations reported high levels of goal achievement, while market share was stable in most of the organizations. Taken together, the findings point out that environmental conditions, particularly economic factors and competitive pressures, coexist with a growth-oriented strategy and, primarily, mechanistic organizational structures. The relatively high level of goal achievement indicates that these strategy-structure configurations are generally associated with effective organizational functioning; however, the stability of market share reveals that achieving internal organizational goals does not necessarily translate into substantial market-share growth.

4.7 Analysis

The analysis shows that environmental conditions, particularly economic factors and competitive pressures, coexist with a growth-oriented strategy and, primarily, mechanistic organizational structures. The relatively high level of goal achievement indicates that these strategy-structure configurations are generally associated with effective organizational functioning; however, the stability of market share reveals that achieving internal organizational goals does not necessarily translate into substantial market-share growth.

5. Conclusion and Recommendation

5.1 Major Findings

The findings reveal that the respondent business organizations are predominantly large-sized, long-established organizations, with a concentration in the garments and textiles sectors with a major presence in Lahore. Most organizations are stood at the growth and stability stages of the organizational life cycle, with none reported to be at the decline stage. Operations managers were found to be constituting the major group of respondents.

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5.2 Conclusion

On the bases of findings of the study, following conclusions are hereby drawn and implications are discussed thereof.

The findings reveal that the respondent business organizations are predominantly large-sized, long-established organizations, with a concentration in the garments and textiles sectors with a major presence in Lahore. Most organizations are stood at the growth and stability stages of the organizational life cycle, with none reported to be at the decline stage. Operations managers were found to be constituting the major group of respondents.

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5.3 Recommendations

Based on the findings and conclusions, the study recommends that:

1. Organizational leadership, with economic factors as the top rated external factor, should strengthen environmental scanning and strategic responsiveness economic conditions, taxation policies, competitors, customer preferences, and technological developments;
2. Greater emphasis should be placed on competitive intelligence and competitor analysis to address rivalry among existing competitors and formulate proactive strategies for their sustainable competitive position;
3. Organizations should focus on converting quality-based competitive advantage into market-share growth through high-quality products supported by effective market-oriented strategies;

4. Growth strategies should be aligned more closely with changing environmental conditions to link it with market analysis, financial feasibility, technological capability, human-resource capacity, and risk assessment;
5. As growth-stage may require flexibility, organizations should gradually increase structural flexibility to accommodate innovation and responsiveness limited by excessive rigidity of mechanistic structure;
6. Instead of an almost equal emphasis on centralization and decentralization, organization should go for a contingency-based approach to empower managers;
7. Contemporary structural practices should be expanded alongside traditional structures by creating cross-functional teams for solving uncertainty problems;
8. Gender-related issues should be incorporated into organizational policies and workforce strategies for employee commitment, organizational reputation, and long-term effectiveness;
9. Job enlargement should be supplemented with broader job-enrichment practices for prepare employees for increasingly complex organizational responsibilities; and
10. Finally, organizations should develop an integrated strategy-structure-environment framework for decision-making and periodically reassess the alignment among environment, strategy, structure, and organizational effectiveness.

5.4 Limitations

The original study does not explicitly report limitations. However, the study is cross-sectional, uses a conveniently/purposively selected sample of 55 corporate managers, and is limited to offices situated in Lahore.

5.5 Delimitations

The study is delimited to the Pakistani corporate sector, specifically 55 corporate managers with offices situated in Lahore. The study focuses on environmental factors, corporate strategy-structure choices, and organizational effectiveness.

5.6 Future Recommendations

The original study does not explicitly report future recommendations. The recommendations provided in Section 5.3 may serve as a basis for future organizational practice and research.

Author's Contributions

All authors participated in ideation, development, and writing the manuscript. All authors read and approved the final manuscript.

Conflict of Interest Statement

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

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Informed Consent

Informed consent was obtained from all participants prior to data collection. Participants were informed about the purpose of the study, the voluntary nature of their participation, and their right to withdraw at any time without any consequences. The confidentiality and anonymity of respondents were guaranteed throughout the research process.

Data Availability

The datasets generated and analysed during the current study are available from the corresponding author upon reasonable request. The authors are committed to transparency and will provide detailed methodological information and analysis protocols upon request.

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