



Impact of Emerging Technologies on Organizational Structure

Diksha Marwaha¹, Dr. Navdeep Kaur²

¹Research Scholar, Department of Management, CT University, Ludhiana (Punjab).

²Associate Professor, CT University, Ludhiana, (Punjab).

Abstract

The complex ways in which technological innovations reshape traditional organizational structures becomes evident as businesses navigate the rapid pace of technological advancements. This study is crucial in providing insights into the profound influence of emerging technologies, including artificial intelligence, blockchain, and automation, on the fundamental foundations of organizational hierarchies and operational frameworks. Organizations can strategically allocate resources based on a nuanced understanding of how emerging technologies impact different facets of their structure. This optimization is crucial for ensuring that investments in technology yield maximum returns, and that resources are directed towards areas with the highest potential for growth and innovation. The paper aims to investigate how the adoption of new technologies is affecting the organizational culture and the behavior of employees and leaders and to assess the barriers and challenges faced by organizations in adopting and integrating emerging technologies into their structures. The study is descriptive in nature and conducted with the help of secondary data. Research papers, books, journals, newspapers, and continuing academic working papers are the sources of secondary data. The findings suggest that the integration of emerging technologies, notably artificial intelligence and automation, has led to a flattening of traditional organizational hierarchies. This decentralization promotes more agile decision-making processes, fostering adaptability in response to rapid technological changes and market dynamics. The study highlights the transformative impact on communication patterns within organizations, emphasizing the crucial role of collaborative technologies. Insights from this study contribute essential knowledge for organizational leaders seeking to strategically navigate the evolving technological landscape, fostering adaptability, innovation, and sustainable growth in the digital era. The study also implies a strategic imperative for fostering a culture of innovation. With hierarchical structures evolving and communication channels transforming, organizations that encourage creativity and experimentation are more likely to harness the full potential of emerging technologies. The study highlights the need for a holistic approach to organizational transformation. From fostering agility and innovation to strategic workforce planning and cybersecurity measures, organizations that proactively address these implications are better

positioned to leverage the benefits of emerging technologies while mitigating potential challenges, ultimately ensuring long-term sustainability and competitiveness.

Keywords: Organizational structure, Technologies, Organization culture, Information Technology.

Introduction

Organizational design refers to the configuration and synchronization of an organization's operations with the purpose of accomplishing its objectives and carrying out its purpose. Three primary interacting components comprise the overall organizational design such as the organizational structure, the integrating mechanisms, and the locus of decision making (Laudon & Laudon, 2017). While organizational structure is the formal arrangement of people and responsibilities inside an organization, organizational design is the collection of decisions and actions that give rise to organizational structure. To carry out and oversee their strategies, all businesses need some kind of organizational structure. Information technology is used to gather, analyze, and distribute data in order to support organizational management, decision-making, and control (Khawatreh et. al., 2006).

A profound transformation is occurring in the ever-evolving realm of contemporary business, propelled by the ceaseless progression of emergent technologies. In the pursuit of maintaining competitiveness and relevance in the dynamic digital age, organizations must thoroughly assess the significant influence that technological advancements have on their organizational frameworks. A transformation occurs in the skill sets that are expected of the workforce as a result of the integration of emerging technologies. Organizations may have to spend money on training initiatives to make sure staff members have the abilities necessary to work with emerging technology, which may change job descriptions and career pathways. The emergence of technologies like “blockchain, cloud computing, artificial intelligence, and the Internet of Things” has presented complex obstacles as well as previously unheard-of opportunities that require for a reassessment of conventional organizational structures (El Badawy et. al., 2015).

Organizations and Information Technology

Innovation, strategic competitiveness, and operational efficiency all depend on the interaction between organizations and “information technology” (IT). The foundation of organizational operations is information technology, which makes data management, decision-making, and communication easier. Organizations use a wide range of IT solutions to optimize their operations, from “customer relationship management” (CRM) software that improves client interactions to “enterprise resource planning” (ERP) systems that simplify internal processes. Cloud computing has transformed data accessibility and storage, allowing businesses to dynamically scale their resources (Peslak, 2012). For information systems to provide the necessary data to vital groups inside the business, they must be integrated with the organization. To benefit from new technologies, the organization has to be cognizant of and sensitive to information systems' consequences. Organizational structure, standard operating procedures, politics, culture, the external environment, and managerial actions are only a few of the many

mediating factors that influence the complex relationship between information technology and organizations (Laudon & Laudon,2004).

Impact of Technologies on Organizational Structure

Emerging technologies have a revolutionary effect on organizational structure, bringing about a paradigm shift that affects every aspect of how firms operate. Traditional organizational structures are fundamentally changing as cutting-edge technologies like blockchain, artificial intelligence, and advanced data analytics become ingrained in operations. Geographical barriers to communication and cooperation are no longer an issue since remote work and virtual teams are growing more common. Decision-making procedures are becoming more and more data-driven, giving different organizational levels access to insights obtained via advanced analytics(Ghani et. al., 2002). Organizational structures that support cross-functional teams and flexible frameworks to quickly react to market changes reflect this move towards agility and flexibility. The workforce is changing as a result of individuals needing to pick up new skills to keep up with technology, which affects career paths and employment functions. Leadership approaches are changing in a tech-driven world to promote creativity and diversity(Fang et al, 2013).

The present review paper is organized into six sections. The first section has presented an introduction of the impact of emerging technologies on organizational structure, its definitions, and significance. The second section presents literature review. The third section presents the objectives of the present review paper. The fourth section is applied to the research methodology that describes the study's overall approach, data collection methods. This is followed by the fifth section which presents the discussion by previous authors on the objectives of the present review paper. The sixth section presents the conclusion which summarizes the main findings and significant aspects of the study.

Literature Review

Parry, E., & Battista, V. (2023) explored how new technologies are affecting the workplace and how the human resources (HR) department can support organizations and workers in adjusting to these changes. According to the study, organisations are using cutting-edge technology like robots and artificial intelligence to automate routine, uncomplicated jobs and to use predictive algorithms to make difficult choices faster and more precisely. Furthermore, newer technologies are being employed more frequently to facilitate the adoption of more adaptable work arrangements, such gig and virtual employment. HR professionals are likely to encounter a variety of difficulties as a result, including the need to assist workers in upgrading their skill sets to compete in the modern workplace and to identify strategies for mitigating the potential harm that precarious employment and increased connectivity may cause to employee's well-being.

Erdurmazlı, E. (2021) analyzed the effects of information technologies on the cultural characteristics of organizations, focusing on the notion of "organizational structure" due to the close relationship between organizational culture and organizational structure. The study suggested that the impact of information technologies on organizational cultures can be both

direct and indirect, contingent upon the information technologies' influence on organizational structures, as well as the activities, processes, and interpersonal dynamics that occur within these structures. The study deduces certain conclusions through the examination of critical attributes of information technologies and organizational culture.

Bonanomi, M. M., et al. (2020) investigated how the development of digital technology has affected the organizational structures of big engineering and architectural organizations. A mixed method technique was used in the study. This method used data mining and social network analysis (SNA) in conjunction with interviews, frequent check-ins, and document analysis to record changes in intra-organizational responsibilities and connections and to comprehend how those changes affected the organizational structure of the company. The study used the data collected to produce a network map that illustrates the interaction between the two organizational structures, a sociogram that showed the informal organizational structure, and a dendrogram that depicts the formal organizational structure. The results showed that among businesses undergoing digital transformation, informal positions were regarded as the go-to sources for guidance and knowledge about digital technology.

Antonova, A. (2015) described the technology is advancing and changing business processes significantly. A selected few technologies, such robotics, “augmented reality” (AR), “internet of things” (IoT), and additive manufacturing, have a significant impact on organizations shortly. Two reasons make these technologies particularly relevant as drivers of organizational change: first, a large number of prototypes and pilot projects already exist; and second, these technologies have the potential to spur significant scientific advancements that in turn could result in significant changes to the business landscape. The study revealed how these four cutting-edge technologies affect current company procedures and lead to significant business change. The study looked at how IT affects the fundamental business models and the creation of values.

Khanagha, S., et al. (2013) investigated how a firm's capacity to successfully implement a new core technology has been impacted by managerial innovation. Organizations that are designed to adapt to technological changes often face structural challenges. While spatially divided units and parallel organizations have been widely discussed as ways to manage the conflicting demands of both emerging and current technologies, they are not the only structurally contingent solutions. Such solutions, however, are probably not going to be viable or sustainable in the context of fundamental technologies. The study demonstrated how management innovation may satisfy seemingly contradictory structural needs of knowledge accumulation in a dynamic knowledge environment by examining the adoption process of a new core technology by a major telecommunications company.

Objectives

- a) To understand how the adoption of new technologies is affecting the organizational culture and the behavior of employees and leaders.
- b) To assess the barriers and challenges faced by organizations in adopting and integrating emerging technologies into their structures.

Methodology

A review paper on “Impact of emerging technologies on organizational structure” is a descriptive study that aims to understand the ongoing transformation of organizational structures in the face of technological progress. The study is conducted with the help of secondary data. The author always dedicated particular attention to the goals of the study and carefully selected the data needed to meet those goals. Research papers, books, journals, newspapers, and continuing academic working papers are the sources of secondary data. The study's scope explores the strategies organizations employ to navigate the challenges posed by emerging technologies, such as cybersecurity concerns, ethical considerations, and the need for workforce development.

Discussion

To understand how the adoption of new technologies is affecting the organizational culture and the behavior of employees and leaders

Customer orientation, supplier cooperation, and employee information technology skills are three stakeholder elements that have a beneficial impact on the corporate culture of big data (Nguyen et. al., 2024). IT involvement significantly and favorably influences the desire to embrace IT, which in turn influences the intention to share information. Additionally, the aim to share information and the adoption of IT are moderated by company culture and leadership style (Tseng, 2017). Transactional leadership correlates positively with both organizational culture and innovation; however, the relationship between the two variables was not statistically significant. In contrast, transformational leadership promotes innovation directly (Li et. al., 2018). Organizational cultures that embraced adhocracy techniques, such as informal manager-employee connections and an emphasis on providing customer value, promoted employee behavior that enabled the adoption of ICT innovation (Kagumba & Wausi, 2018).

From the above discussion, it is clear that the adoption of new technologies has a multifaceted impact on organizational dynamics. It not only transforms the technical landscape but also shapes the cultural fabric and behavioral patterns within the organization, highlighting the interconnectedness of technology, culture, and leadership in driving organizational change.

To assess the barriers and challenges faced by organizations in adopting and integrating emerging technologies into their structures

The manufacturing sector faces several barriers to digital technology adoption, including a low level of maturity in the industry and a multitude of equipment suppliers' different communication capabilities that are housed in the factory, making it challenging for companies to adopt and implement new technologies (Wang et. al., 2016). The five most important barriers arise from applicable skill problems, the need for regular model upgrades throughout the project lifetime, increased investment needs, data interoperability across software, and constrained organizational finances for integrated digital delivery (Wuniet. al., 2024). The intricacy of the data architecture and the manner in the lack of existing safety technology integration creates a significant barrier make it impossible to readily adopt internet of things technology. Realistically, there were always

issues with sustainable energy supply in many areas of construction where digital technology is unable to run properly (Zhihong, 2020). The adoption of technological advancements by rural small and medium-sized enterprises spanning multiple industries is a critical concern because they frequently require financial and technical incentives as well as assistance from local and public authorities (Fanelli, 2021).

From the above discussion, it is clear that the barriers to adopting emerging technologies are multifaceted, involving elements of leadership, culture, stakeholder dynamics, and the skills within the organization. Addressing these challenges is crucial for successful technology adoption and integration into organizational structures.

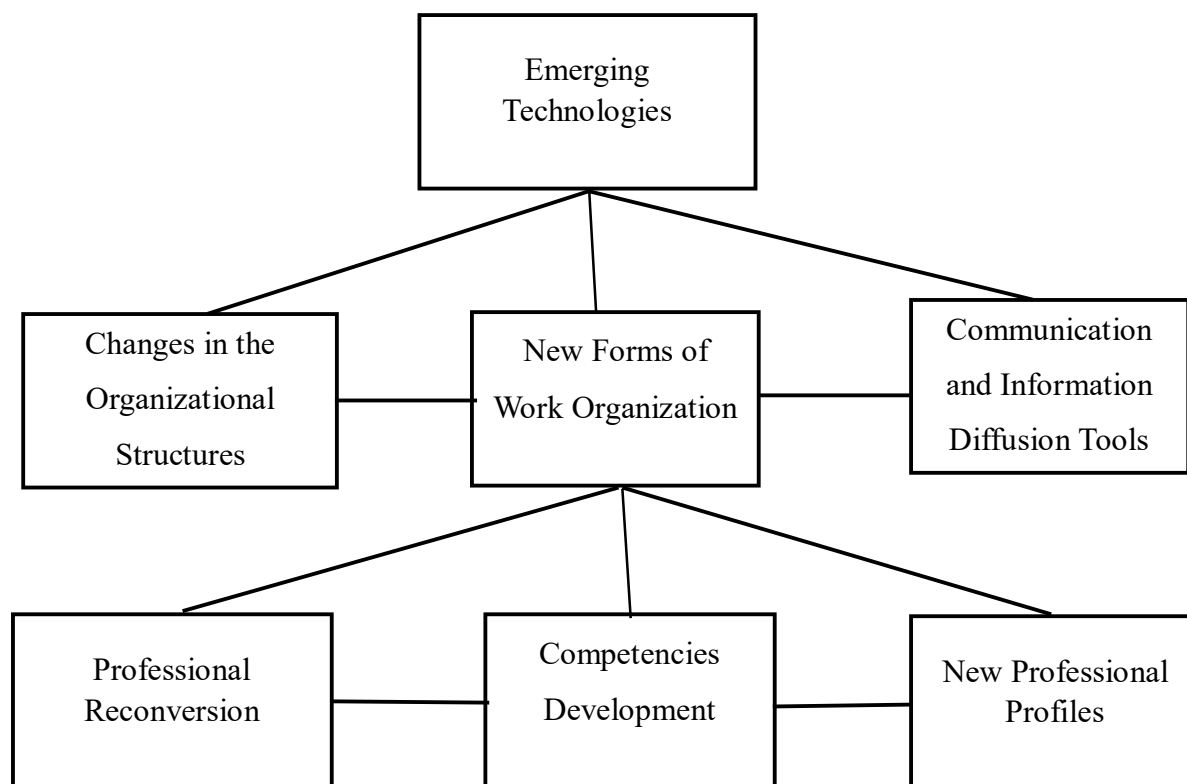


Figure 1: Emerging technologies impact on competencies development

Conclusion

The paper indicates the effective adoption of new technologies demands a synergistic approach that not only considers the technical aspects but also recognizes the pivotal role of organizational culture, leadership styles, and the proactive mitigation of barriers and challenges. Organizations that navigate these dynamics effectively are better positioned to harness the transformative potential of emerging technologies, fostering a culture of innovation and adaptability among their workforce. Effective technology adoption is not merely a technical implementation but requires a strategic alignment with organizational culture and effective leadership to drive behavioral changes among employees.

The further study will involve a more in-depth examination of the socio-cultural impacts of emerging technologies on organizational structures. Understanding how these technologies

influence employee well-being, job satisfaction, and the overall workplace experience can provide valuable insights into the human side of technological integration. Future research could delve into the evolving role of artificial intelligence, machine learning, and automation in shaping organizational structures.

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