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Research Article

Towards Strategic Success in Indian Automobile Sector SMEs: Key Structural Drivers

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ABSTRACT

Strategic success relates to the smooth and effective completion of the strategic management cycle. An indicator of this is the strategy implementation result. Since an organization operates in a complex, dynamic, and volatile environment, multiple external and internal forces eventually determine the success or failure of a well-knitted strategy. The present study focused on the internal environment, specifically organizational structure. It aimed to analyze the impact of organizational structure on strategy implementation in the Indian automobile sector small and medium enterprises (SMEs). Organizational structure was measured using the constructs of the degree of formalization, degree of centralization, degree of specialization, and basic structural aspects. Strategy implementation, as a means of evaluating the strategic success of SMEs, was measured in terms of process efficiency and overall performance. Data was collected from 142 units in the select states of Punjab and Haryana using a self-administered structured questionnaire. It was analyzed through descriptive and multiple regression analysis. The results of descriptive analysis revealed that SMEs had a highly centralized, fairly specialized, and formal structure. The results of regression analysis exhibited that organizational structure had a statistically significant and positive impact on the strategy implementation in SMEs. It may be concluded that an adequate structure led to the successful execution of strategic plans, i.e., ensuring strategic success. The study recommended that organizations strike a balance between authority centralization-decentralization and wisely use the element of specialization.

Keywords: Organizational Structure, Formalization, Centralization, Specialization, Strategy, Strategy Implementation, Strategic Success, SMEs

INTRODUCTION

Strategic management is a four-step process concerned with analyzing the situation and using it as the basis for developing and executing strategies to build a competitive advantage (Henry, 2011). It starts with the environmental analysis and steadily moves towards strategy formulation, implementation, and evaluation (Henry, 2011; Kazmi & Kazmi, 2015; Wheelen et al., 2018). Of this, strategy implementation is a fundamental and crucial part (Maika & Wachira, 2020). Strategy implementation refers to bringing

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into effect the various plans and strategies of an organization. According to Kazmi & Kazmi (2015), implementation includes multiple activities such as the activation of strategies, development of structures, systems and processes, management of operations, etc., the sole purpose of which is to ensure the efficient conversion of plans into reality and achievement of the desired objectives. An organization's strategic success relates to the smooth and effective completion of the strategic management cycle, and the strategy implementation result is an indicator of an organization's strategic performance and triumph. All planned during the formulation stage is tested at the execution leads to its failure (Williams, 2009). Also, it is only through the appropriate implementation that a strategy's actual worth can be authenticated, and organizational results can be achieved (Higgins, 2005).

An organization operates in a complex, dynamic, and volatile environment that tends to affect its daily operations and strategic results. The environment comprises multiple external and internal forces that eventually determine the success or failure of a well-knitted strategy (Hans, 2018). While the external influence persists, it is the internal context that has gained the academicians' attention over time. Resource-based view, a prominent strategic management theory, debates that resources and capabilities are what differentiate an organization from its competitors, serve as a starting point of strategy, and act as a primary source of returns (Hitt et al., 2016). Employing it as the theoretical basis, the present study focused on the concept of 'organizational structure' as a major internal business factor. The internal environment is made up of an organization's structures, systems, culture, finances, technology, human resources, marketing, and intellectual arena (Campbell & Craig, 2005). That is, it comprises the organization's structure and functions and their alignment with the desired objectives (Worthington & Britton, 2015). The term structure, which frequently appears in the meaning of the internal environment, is "a formal grouping of an organization's logistic and managerial activities" (Kimani, 2018). It describes the clusters of people in an organization, their responsibilities, reporting relationships, and span of control (Shukla, 1996). Chandler's 'Strategy and Structure' work of 1962 is famous in the strategic management literature. It brought into light the notion of organizational structure and explained the structure-strategy link. The present study works on the forward linkage of structure and strategy, and understanding the relationship in the Indian business context.

Problem Statement

SMEs are the cornerstone of the Indian economy. They are a major part of the MSME sector, which is largely appraised for its contribution to the overall development of the nation (Ministry of MSME, 2024). Statistically, the sector contributes 30 percent to the nation's GDP (BS Web Team, 2022) and 45 percent to the total exports. As of December 2024, there are 5.7 crore MSMEs registered on the Udyam Portal and employing 24 crore people. Over one crore MSMEs are generating 36 percent of the manufacturing, helping India to position itself as a global manufacturing center (Ministry of Finance, 2025). Regarding automobiles, India is the fourth largest producer worldwide. The Indian automobile industry is broad, comprising four main segments – two-wheelers, three-wheelers, passenger vehicles, and commercial vehicles. Statistically, it is a USD 100 billion industry, with a 7.1 percent contribution to the nation's GDP and 4.7 percent to the total exports (Drishti IAS, 2022). The industry is expected to reach third on the global platform by 2026 (Equitymaster, 2020). Both these sectors are hypercompetitive and subject to the complexities of the environment. The major challenge for them is to adapt to the continuous alterations in the business environment and ensure stable survival and strategic success. As such, it is suitable for the conduct of the present study that focuses on exploring the relationship between organizational structure and strategic success in the Indian automobile sector SMEs.

REVIEW OF LITERATURE

Various studies by individual researchers and government agencies have reported the impact of structure on an organization's strategy. The following studies were reviewed to achieve the study's objectives.

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Organizational Structure as an Internal Business Factor

In a strategy implementation framework proposed by Okumus (2003), organizational structure was taken as a strategic 'internal' context factor, i.e., the starting point of strategy implementation. The context factors affected strategy development that guided the operational processes and outcomes, i.e., the implementation results – objectives achievement, key parties' satisfaction, value addition, etc. Higgins (2005) also put forth structure as a contextual factor affecting strategic performance in his 8S model of strategy execution.

Multiple studies have reported 'organizational structure' as a significant and positive determinant of effective strategy implementation. This includes Sorooshian et al.'s (2010) survey of 163 owners of pistachio manufacturing SMEs in South Iran; Yang et al.'s (2010) extensive literature review of 63 articles; and Kalali et al.'s (2011) and Sial et al.'s (2013) works that identified a 'divergent structure' as a major implementation barrier in Iran's health service sector and Pakistan's public sector organizations, respectively. Also, Al-Kandi et al.'s (2013) survey of 120 middle-managers in select banks in Saudi Arabia; Pournasir's (2013) survey of 120 owners of manufacturing SMEs in Iran; Rajasekar's (2014) survey of 125 executives in five select electricity distribution companies in Oman; Nguyen & Nguyen's (2017) evidence from the Vietnam garment industry wherein a survey of 92 employees at 82 companies revealed the positive impact of a 'flexible structure' on objectives achievement, clarity, and appropriateness of the implementation process; Bahadori et al.'s (2018) primary study of 16 employees in a case hospital in Iran's healthcare sector. Contrary to these, Alamsjah (2011), in his study of the Indonesian companies, reported an insignificant impact of structure on successful strategy implementation.

Structural Aspects and Strategy Implementation

Brenes et al. (2008) surveyed 81 Latin American companies and put forth 'alignment of structure' as an underlying success factor of strategy implementation. A similar result was reported by Zeps & Ribickis (2015) in their study of 263 employees in Latvian organizations. Cater & Pucko's (2010) study of 172 Slovenian companies concluded strategy execution was most significantly affected by the planning and organizing activities. The latter included 'adapting structure to strategy' and 'allocating strict responsibilities'. Chimkono & Deya (2019), through a survey of 64 employees at two ministries in Kenya, even suggested an 'adequate structure' (i.e., role clarity, team coordination, and unification of efforts) as an essential of effective strategy implementation. Nakhanya et al. (2021) surveyed 130 employees at 36 government-registered vocational training centres in Kenya and found organizational structure, measured through roles and responsibilities, communication, authority flow, flexibility level, etc., to be imposing a positive and substantial impact on implementation.

The significance may also be understood in the organizational structure's capacity as an obstacle to effective strategy implementation. In this line, Shah (2005) surveyed 104 managers in 35 New Delhi companies and identified 'poorly defined tasks and activities', 'unclear accountability lines', and 'insufficient interdepartmental coordination' as the major obstacles to strategy implementation. 'Clarity of authority and responsibility' was a potent factor of implementation, also supported by Raps (2005), Hrebiniak (2006), Neilson et al. (2008), Chimkono & Deya (2019), Eresia-Eke & Soriakumar's (2021) work in South African public sector organizations. Hrebiniak (2006) surveyed 443 managers at two US-based companies and put forth 'conflict between organization's power structure and strategy being executed' as an implementation obstacle, supported by Pournasir (2013).

Structural Elements and Strategy Implementation

Organizational structure is a multi-dimensional factor. It comprises the jobs, their grouping into specific divisions and departments, the coordination mechanism, and the manager's span of control (Higgins, 2005). The scope is wide and a school of thought puts forth formalization, centralization, and complexity as the structural elements (Shukla, 1996; Basol & Dogerlioglu, 2014). 'Formalization' relates to the degree of standardization and explains the level to which an organization is controlled by rules

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and procedures (Shukla, 1996). 'Centralization' explains the magnitude of decision-making authority concentration with the top management (Basol & Dogerlioglu, 2014). 'Complexity' or 'specialization' describes the degree of differentiation and integration, i.e., the division of work into specialized departments under specific heads. Although in varied capacities, the broad scope of organizational structure makes it pervasive – visible in all forms of organizations. Various studies have worked on these elements and their influence on strategy implementation.

Shahhosseini et al. (2013) examined the impact of three structural dimensions – formalization, centralization, and complexity – on effective strategy implementation in Iranian universities. A survey of 117 senior managers at a case university revealed the presence of a relatively formal and centralized structure. While 'formalization', i.e., clarity of work boundaries, job standardization, etc., had a positive impact, 'centralization' had an insignificant impact. The structure was also highly 'complex', and this imposed a negative impact. Contrarily, Muturi & Kariuki (2018) investigated the impact of formalization, authority centralization and decentralization, and complexity on implementation, i.e., goal-setting and financial returns, in the energy sector of Kenya. The same was found to be significant through a survey of 142 employees at five select state parastatals.

Specifically for 'centralization', Waribugo & Akpan (2016), in their study of 97 employees at five mobile operating firms in Nigeria, reported an insignificant impact of a centralized structure on strategy implementation. Contrarily, Atieno & Juma (2015), through a survey of 40 heads in the devolved government units in Nakuru, Kenya, established an average positive relation between the variables. They further recommended organizations strike a balance between centralization and decentralization, also supported by Mireri & Oringo's (2019) study of 90 employees at a case unit in the Kenyan healthcare sector and Yabarow & Muathe's (2020) study of 148 respondents in the oil marketing companies in Kenya.

Specifically for 'specialization', Kimiti et al. (2014), through a survey of 27 principals of public secondary schools in Bahati Sub-County, Kenya, reported its positive impact. According to the authors, the higher the degree of specialization, the more effective the implementation. Waribugo & Akpan (2016) also supported this result. Waititu (2016), in a survey of 88 officials at 11 commercial banks in Kenya, found a 'functional and process-oriented structure, backed with work specialization'. It significantly contributed to increasing profitability, sales volume, financial returns, employee and customer base, expansion and enhancement of internal work efficiency, etc. Wanjiku et al. (2018), through a survey of 86 departmental heads at seven public hospitals in Nakuru County, Kenya, also explained how the division of operations into specialized departments helped the managers create process efficiencies. A varying result was reported by Tele & Gachunga (2019). Their survey of 72 employees at a case company in the Kenyan energy sector revealed the presence of a functional structure, well-laid down authority, clear authority delegation, and a well-coordinated and simple departmental design. However, it had an insignificant impact on strategy implementation, i.e., objectives achievement, operational efficiency and governance, top talent retention, board members' competency, and the organization's overall performance.

Conclusive Interpretation

The review of literature spanned over two decades and included relevant studies between 2000 and 2024. From the review, it can be understood that the topic is explored in the literature and has captured varied responses in varied sectors and geography. While contradictory evidence exists, the following assumptions have been made for this study.

- H_1: *There is a significant association between the degree of formalization and effective strategy implementation.*
- H_2: *There is a negative association between the degree of centralization and effective strategy implementation.*

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H_3: There is a positive association between the degree of specialization and effective strategy implementation.

H_4: There is a positive association between an organization's basic structure and effective strategy implementation.

NEED FOR THE STUDY AND RESEARCH OBJECTIVES

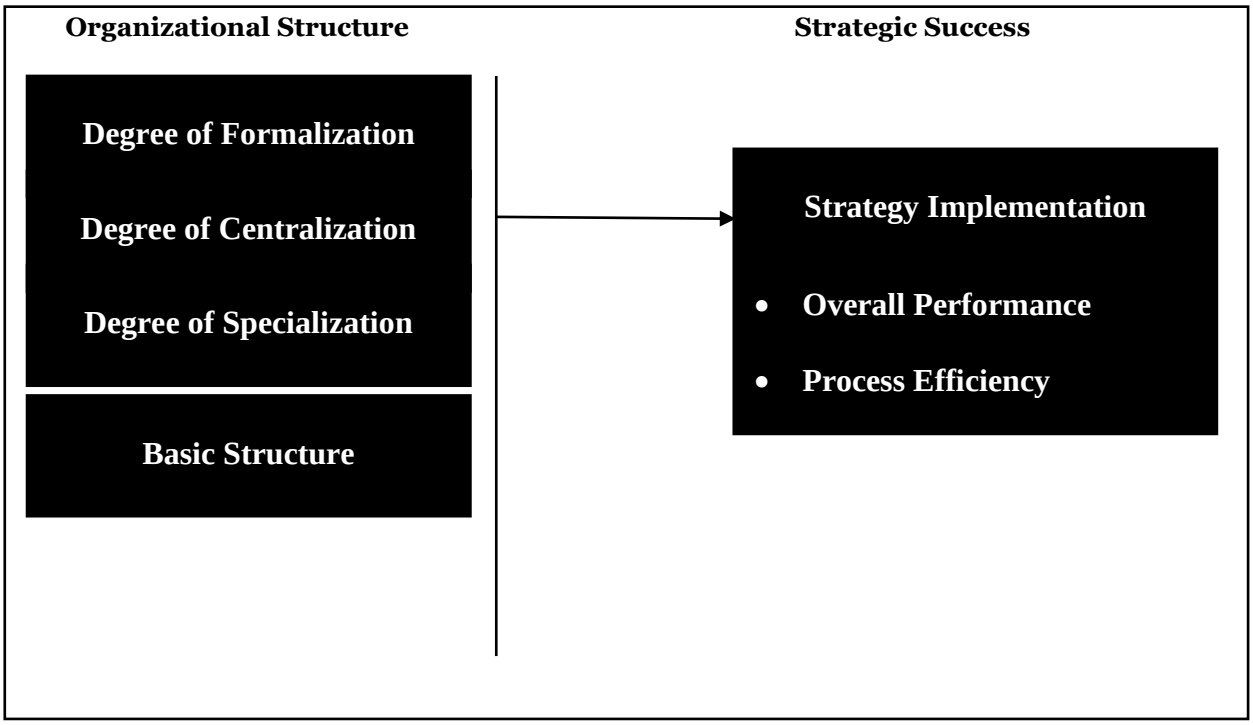
The structure-strategy relationship is highly acknowledged in the literature. There is no shortage of evidence. However, some gaps exist. First, the factor's direction of impact is debatable due to mixed results. There is comparatively less evidence on the impact of formalization on strategy implementation. Second, there is a geographical concentration of the topic with maximum evidence from Western countries. Third, studies from across the sectors are available, but the automobile sector seems untapped. Fourth, the topic is relatively less explored in the Indian SMEs. These gaps and the topic's importance in the business environment and strategic management domains backed the conduct of the present study. Following are the research objectives of the study.

(1) To identify the prevalent structural elements in the Indian automobile sector SMEs.
(2) To determine the strategic success in terms of strategy implementation in the Indian automobile sector SMEs.
(3) To analyze the impact of organizational structure on strategy implementation in the Indian automobile sector SMEs.

CONCEPTUAL FRAMEWORK

Figure 1 exhibits the conceptual model for the study.

Figure 1: Conceptual Framework for the Study



Source: Authors

Figure 1 shows that the study comprises one independent and one dependent variable, organizational structure and strategic success, respectively. Organizational structure has been measured through four constructs namely; degree of formalization, degree of centralization, degree of specialization, and basic

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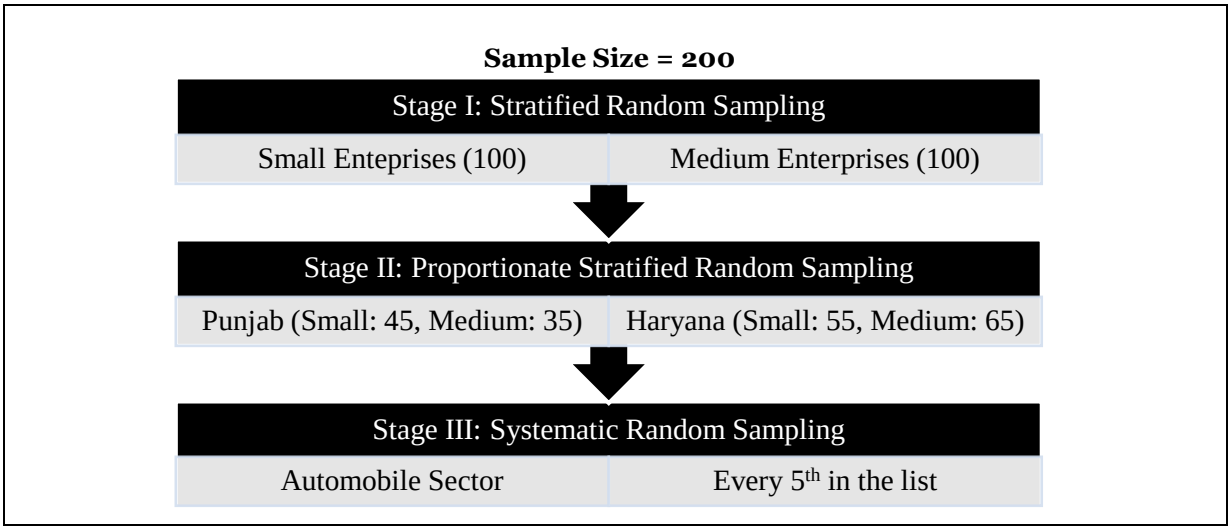
structure aspects. Strategic success has been evaluated in terms of the strategy implementation results – process efficiency and overall performance of the SMEs. The overall performance has been measured using the Balanced Scorecard – a strategic tool to measure organizational performance – under four domains of finance, customer, internal business processes, and employees.

RESEARCH METHODOLOGY

The study is descriptive in nature. The target population comprised SMEs operating in the Indian automobile sector, i.e., indulged in the manufacturing of automobiles and parts. The sampling frame was the registered manufacturing SMEs in the select states of Punjab and Haryana. A sample of 200 was finalized using multi-stage sampling. Figure 2 exhibits the sampling procedure of the study.

Figure 2: Sampling Procedure



Source: Authors

Figure 2 shows that sampling was done in three stages.

Stage 1: Stratification based on industry scale

Two stratas, 'Small' and 'Medium', were formed using the threshold limits for MSMEs in India. The Ministry of MSME has segregated these units based on their 'investment in plant and machinery' and 'annual turnover' (Ministry of MSME, 2024). For a small enterprise, the values are not more than Rs. 10 crore and Rs. 50 crore, respectively. For a medium enterprise, the values are not more than Rs. 50 crore and Rs. 250 crore, respectively. It is worth noting that Finance Minister Nirmala Sitharaman, in her speech on the Union Budget 2025-26 announced revisions to these limits to support the MSME sector in achieving higher efficiency and growth (Ministry of Finance, 2025). In the future, for a small enterprise, the values will be Rs. 25 crore and Rs. 100 crore, respectively. For a medium enterprise, the values will be Rs. 125 crore and Rs. 500 crore, respectively. For this study, only the investment criterion was used for classification. A sample of 100 units each was drawn to ensure equal representation of the units.

Stage II: Stratification based on geographical location

Two stratas, 'Punjab' and 'Haryana', were formed based on the registered address of SMEs. Punjab and Haryana are known for their entrepreneurial culture and for being home to some of the famous MSMEs. The updated list for the number of registered manufacturing MSMEs in select states showed the existence of 13,992 small enterprises in Punjab and 17,341 in Haryana, and 542 medium enterprises in Punjab and 1,016 in Haryana (Srivastava, 2019). This was employed to draw a proportionate sample from the two stratas. As such, small enterprises (100) were 45 and 55, and medium enterprises (100) were 35 and 65 from Punjab and Haryana, respectively. Further, two districts from each state were

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selected – Ludhiana and SAS Nagar from Punjab, and Faridabad and Gurugram from Haryana. These districts covered a major part of SMEs, nearly 40 percent, and are also quite famous in the automobile sector.

Stage III: Selection of units from the automobile sector
The sampling frame was refined on various grounds to suit the study's requirements. This included identifying SMEs in select districts, picking those in the automobile sector, forming small and medium category blocks, and removing redundant entries. The units were then identified on a random basis.

DATA ANALYSIS AND INTERPRETATION

Data was gathered from the person in charge of making key strategic decisions at SMEs, i.e., the owner or manager. A single response from each unit was taken. A self-administered structured questionnaire was employed. It consisted of 20 descriptive statements designed on a five-point Likert scale from 'Strongly disagree' (1) to 'Strongly agree' (5). Of these, 10 pertained to organizational structure and 10 to strategy implementation. It also consisted of questions on respondents' demographic profile. The reliability statistics of the scale equalled 0.720 for organizational structure and 0.938 for strategy implementation, i.e., above the acceptable limit of 0.70 (Nunnally & Bernstein, 1978). Data was analyzed through descriptive analysis, i.e., mean scores, standard deviation (S.D.), response frequency, and multiple regression analysis. Of the 200 forms distributed, 142 qualified for further analysis, i.e., a 71 percent response rate was achieved.

Part 1: Respondents' Demographic Details

Table 1: Respondents' Demographic Details

Demographic Variable	Particulars	Respondents	
		No.	%
State	Punjab	61	43.0
	Haryana	81	57.0
Investment in Plant and Machinery	1-10 crore	69	48.6
	10-50 crore	73	51.4
Annual Turnover	Less than 5 crore	10	7.0
	5-50 crore	75	52.8
	50-250 crore	57	40.1
Gender	Male	134	94.4
	Female	08	5.6
Job Profile	Owner	123	86.6
	Manager	19	13.4

Source: Authors

Table 1 exhibits the demographic details of 142 respondents. 61 SMEs operated in the state of Punjab and 81 in Haryana. There were 69 small enterprises (investment limit 1-10 crore) and 73 medium enterprises (investment limit 10-50 crore). 10 units generated an annual turnover of less than five crores, 75 between 5-50 crore, and 57 between 50-250 crore. 134 respondents were male and eight were female, pointing to the current male dominance in the sector. 123 owners and 19 managers acted as strategy makers for their respective units.

Part 2: Descriptive Analysis

Tables 2 and 3 exhibit the results of descriptive statistical analysis for organizational structure and strategy implementation, respectively.

Table 2: Organizational Structure of SMEs in the Indian Automobile Sector

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No.	Statements	Frequency Likert Scale					Mean	S.D.
		1	2	3	4	5		
	Overall						3.96	.41
1	Presence of clear and well-defined reporting lines	01	03	07	92	39	4.16	.67
2	Presence of clear work description boundaries	01	03	07	89	42	4.18	.68
3	Presence of stringent rules to govern employees' behavior	02	03	18	89	32	4.01	.75
4	Solely formal flow of information	01	04	08	91	38	4.13	.70
5	Highly centralized decision-making	00	08	09	72	53	4.20	.79
6	Authority delegation to lower levels when required	10	37	35	47	13	3.11	1.11
7	Presence of many hierarchical levels	02	31	22	79	08	3.42	.94
8	Division of operations into specialized departments	00	04	05	83	50	4.26	.66
9	Presence of strong coordination within and across the departments	00	05	09	92	36	4.12	.67
10	Presence of a flexible and adaptable structure	00	05	10	103	24	4.03	.62

Source: Authors

Table 2 exhibits the respondents' perception of organizational structure and prevalent structural elements in the sampled SMEs. The interpretations are as follows.

(a) **Degree of Specialization –** Statement no. 8, 'division of operations into specialized departments', received the highest mean score ($\bar{x}$ = 4.26). 133 of 142 respondents (93.7 percent) perceived a high degree of specialization at their organizations. Of these, 50 strongly agreed (frequency 5) and 83 agreed (frequency 4). No. 9 and 7 also measured this dimension. There was 'strong coordination among the departments' ($\bar{x}$ = 4.12). However, not many had a 'hierarchical structure' ($\bar{x}$ = 3.42), mainly due to their scale of operations and limited workforce. As such, the sampled SMEs are 'relatively specialized'.

(b) **Degree of centralization –** Statement no. 5, 'highly centralized decision-making', received the second highest mean score of 4.20. 125 respondents (88 percent; 53 strongly agree and 72 agree) perceived their organizations to be centralized. No. 6, 'authority delegation to lower levels at times of need', received the lowest mean score of 3.11. Only 60 respondents (42.3 percent; 13 strongly agree and 47 agree) believed their organizations practiced decentralization. As such, the sampled SMEs are 'highly centralized'.

(c) **Degree of formalization –** Statement no. 3, 'presence of stringent rules', and no. 4, 'solely formal flow of information', received a mean score of 4.01 and 4.13, respectively. This shows a 'formal structure' at the sampled SMEs.

(d) **Basic structure –** Statement no. 2, 'presence of clear work description boundaries', received the third highest mean score of 4.18, with 131 respondents (92.3 percent; 42 strongly agree and 89 agree) supporting it. In addition, there are 'clear and well-defined reporting lines' (no. 1, $\bar{x}$ = 4.16) and a 'flexible and adaptable structure' (no. 10, $\bar{x}$ = 4.03). It implies 'adequacy of structure' at the sampled SMEs.

The scale's combined mean was 3.96. Scores for individual statements ranged from 3.11 to 4.26, with eight above 4.00, i.e., on the higher side of the scale. This indicates the respondents' perception of the current satisfactory position of organizational structure in the sampled SMEs. All the structural elements prevailed in the Indian automobile sector SMEs.

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Table 3: Strategy Implementation of SMEs in the Indian Automobile Sector

No.	Statements	Frequency Likert Scale					Mean	S.D.
		1	2	3	4	5		
	Overall						4.15	.53
1	Clear and appropriate process	00	02	09	82	49	4.25	.64
2	Implementation within the allocated time	00	07	08	75	52	4.21	.76
3	Implementation within the allocated budget	00	05	06	84	47	4.22	.69
4	Presence of good financial returns	00	04	09	95	34	4.12	.64
5	Presence of a large market share	01	07	17	93	24	3.93	.74
6	Able to meet the changing needs of customers	00	03	08	107	24	4.07	.55
7	Presence of a loyal customer base	00	04	08	101	29	4.09	.61
8	Employee training and rewards	00	01	09	80	52	4.29	.61
9	Top talent retention over the years	00	06	07	84	45	4.18	.71
10	Proper utilization of resources	00	05	06	92	39	4.16	.66

Source: Authors

Table 3 exhibits the respondents' perception of strategy implementation in the sampled SMEs. The interpretations are as follows.

(a) **Overall Performance –** Statement no. 8, 'employee training and rewards', received the highest mean score of 4.29. 132 respondents (93 percent; 52 strongly agree and 80 agree) believed their organizations focused on the overall growth and development of the employees by ensuring necessary training and rewards for them from time to time. Through this, they managed to 'retain top talents over the years' (no. 9, $\bar{x}$ = 4.18). As such, the sampled SMEs perform well in the 'employees' domain of the Balanced Scorecard, Further, respondents perceived 'good financial returns' (no. 4, $\bar{x}$ = 4.12), 'large market share' (no. 5, $\bar{x}$ = 3.93, lowest), 'ability to meet the changing needs of customers' (no. 6, $\bar{x}$ = 4.07), 'presence of a loyal customer base' (no. 7, $\bar{x}$ = 4.09), and 'proper utilization of resources' (no. 10, $\bar{x}$ = 4.16). It shows the adequate performance of the sampled SMEs in the 'financial', 'customer', and 'internal processes' domains.

(b) **Process efficiency –** Statement no. 1, 'clear and appropriate process', received the second highest mean score of 4.25, with 131 respondents (92.3 percent; 49 strongly agree and 82 agree) supporting it. No. 3, 'implementation within the allocated budget', received the third highest mean score of 4.22, with 131 respondents (92.3 percent; 47 strongly agree and 84 agree) in support. No. 2, 'implementation within the allocated time', received a mean score of 4.21. The strategy implementation process is 'efficient' at the sampled SMEs.

The scale's combined mean was 4.15. The scores for individual statements ranged from 3.93 to 4.29. This indicates the respondents' perception of the satisfactory nature of strategy implementation in the sampled SMEs. Strategic success is visible in the sector.

Part 3: Multiple Regression Analysis

Table 4 exhibits the results of regression analysis performed to achieve the research objective.

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Table 4: Impact of Organizational Structure on Strategy Implementation in the Indian Automobile Sector SMEs

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849[a]	.721	.713	.28457
a. Predictors: (Constant), Degree of Formalization, Degree of Centralization, Degree of Specialization, Basic Structure				
b. Dependent Variable: Strategy Implementation				

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.640	4	7.160	88.418	.000[b]
	Residual	11.094	137	.081		
	Total	39.734	141			
a. Dependent Variable: Strategy Implementation						
b. Predictors: (Constant), Degree of Formalization, Degree of Centralization, Degree of Specialization, Basic Structure						

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.662	.246		2.692	.008
	Degree of Formalization	-.056	.048	-.058	-1.183	.239
	Degree of Centralization	.117	.047	.119	2.470	.015
	Degree of Specialization	.216	.057	.229	3.821	.000
	Basic Structure	.592	.051	.661	11.578	.000
a. Dependent Variable: Strategy Implementation						

Source: The Authors

Interpretations of Table 4: The model summary table shows that the R square of the regression model was 0.721. It implies that organizational structure, as an independent variable, explains 72.1 percent variance in strategy implementation, the dependent variable. The ANOVA table exhibits the significance of the F-ratio. The model is a good fit to predict strategy implementation, $F(4, 137) = 88.418$, $p = 0.000 < 0.05$. The 'Sig.' column in the coefficients table puts forth three of the four structural elements as significant predictors of strategy implementation. These include the degree of centralization (0.015), degree of specialization (0.000), and basic structure (0.000). The standardized beta coefficient shows their degree and direction of impact: degree of centralization ($\beta = 0.119$), degree of specialization ($\beta = 0.229$), and basic structure ($\beta = 0.661$). The basic structure shows the highest impact. The degree of formalization has no significant impact ($p = 0.239$). The results support H_3 and H_4 but contradict H_1 and H_2. Hypothesis testing results:

- H_1: Degree of formalization shows no impact on effective strategy implementation.
- H_2: Degree of centralization has a positive impact on effective strategy implementation.

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- H_3: Degree of specialization has a positive impact on effective strategy implementation.
- H_4: Orgsnization's basic structure has a positive impact on effective strategy implementation.

Overall, organizational structure has a statistically significant and positive impact on the strategy implementation in the Indian automobile sector SMEs, with specific reference to the states of Punjab and Haryana.

CONCLUSION AND RECOMMENDATIONS

In line with the fact that business environmental forces tend to affect an organization's strategic management process, the present study aimed to analyze the impact of organizational structure on strategy implementation in the Indian automobile sector SMEs. The study is descriptive in nature. Data has been collected from the owners or managers of 142 units in the select states of Punjab and Haryana using a self-administered structured questionnaire. The results of descriptive analysis reveal that SMEs have a highly centralized, fairly specialized, and formal structure. The strategy implementation process is adequate and effective with SMEs performing well in the major performance domains. The results of multiple regression analysis reveal that organizational structure has a statistically significant and positive impact on the strategy implementation in SMEs. While the impact of formalization is insignificant, that of the other three elements is significant. The basic structure shows the highest impact, followed by the degree of specialization and centralization. It may be concluded that an adequate structure leads to the successful execution of strategic plans, i.e., ensuring strategic success. The study recommends that organizations strike a balance between authority centralization-decentralization and wisely use the element of specialization. Too much centralization and specialization increase complexities and hamper performance. By ensuring an appropriate organizational structure, which is in proper alignment with the strategic intent of the organization, effectiveness in strategy implementation can be achieved.

FUTURE SCOPE OF RESEARCH

The study provides evidence of the structure-strategy relationship from the Indian automobile sector SMEs. Its findings shall be helpful for small-business owners in India. The results regarding the structure's basic nature and degree of specialization support the literature. However, that on the degree of formalization and centralization contradict the past evidence. It shows that the Indian business environment is different and must be adequately explored. A qualitative analysis of the topic under consideration may provide deeper insights into the business environment of SMEs. A trend analysis shall be helpful in understanding how improvements in structure impact the strategy implementation results. Furthermore, since a 28 percent variance in strategy implementation is accounted for by other factors, an effort may be made to determine those and help SMEs with their strategic success.

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